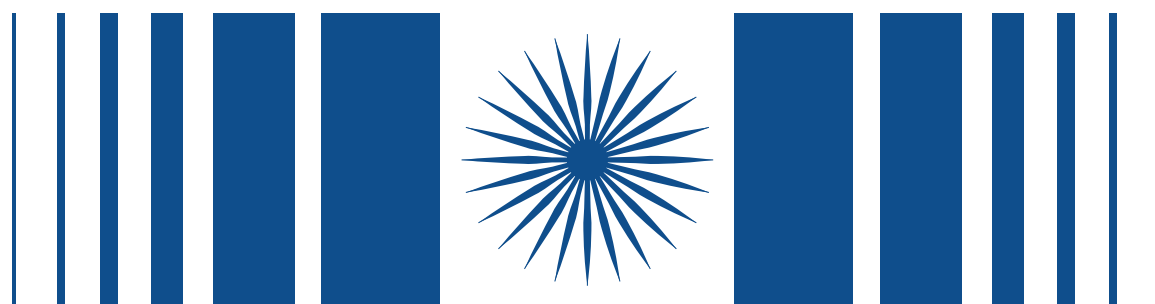


POWERED BY



PURPOSE

HDFC AMC International (IFSC) Limited
A Wholly Owned Subsidiary of
HDFC Asset Management Company Limited

2nd Annual Report 2023-24

Contents

Statutory Reports

Director's Report	01
-------------------	----

Financial Statements

Independent Auditor's Report	06
Balance Sheet	14
Statement of Profit and Loss	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to Financial Statements	18

Board of Directors

Mr. Navneet Munot
Chairman
(DIN:05247228)

Mr. V. Suresh Babu
Non-Executive Director
(DIN: 09622653)

Mr. Shyamak Tata
Independent Director
(DIN: 07297729)

Mr. Vijay Karnani
Independent Director
(DIN:02234257)

Auditors

M/s. B S R & Co. LLP,
Chartered Accountants

Banker

HDFC Bank Limited

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting the Second Annual Report together with the audited financial statements of your company for the financial year ended March 31, 2024.

1. FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2024 is summarised as below:

Particulars	(₹ in thousands)	
	Year ended 31st March 2024	For the period ended 31st March 2023
Profit/(Loss) Before Tax	(31,532.97)	(5,416.06)
Provision for Tax	143.86	-
Profit/(Loss) after Tax	(31,676.83)	(5,416.06)
Other Comprehensive Income (net of tax)	(176.11)	-
Balance brought forward from previous year	(5,445.55)	-
Other Adjustments	(310.77)	(29.49)
Balance carried to Balance Sheet	(37,609.26)	(5,445.55)

2. BUSINESS OVERVIEW

Your Company is a wholly owned subsidiary of HDFC Asset Management Company Limited ('HDFC AMC') and was incorporated on 27th May 2022. During the year under review, your Company has received a Certificate of Registration from International Financial Services Centres Authority (IFSCA) for Registered Fund Management Entity – Retail category, pursuant to which it can carry out fund management, investment advisory and Portfolio Management Services (PMS) activities from Gujarat International Finance Tec-City (GIFT).

Further, during the year under view, the Company has received an in-principal approval from IFSCA for launch of 6 funds viz. HDFC India Small Cap Fund, HDFC India Equity Savings Fund, HDFC India Flexi Cap Fund, HDFC India Balanced Advantage Fund, HDFC India Mid-Cap Opportunities Fund and HDFC India Nifty 50 Fund as Category III open ended Alternative Investment Funds under the IFSCA (Fund Management) Regulations, 2022. These funds will be feeders into certain domestic HDFC AMC mutual fund schemes and/ or ETFs in India. Your Company is in process of completing the operational requirements for the launch of said 6 funds. It is proposed to offer the said funds to the investors in international markets and the Company is reaching out to prospective investors for the same.

Your Company does not have any subsidiary or an associate company or a joint venture company during the financial year 2023-24.

3. CHANGE IN THE HOLDING COMPANY FROM HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED TO HDFC BANK LIMITED

HDFC Bank Limited ("HDFC Bank") is the Ultimate Holding Company of the Company effective July 01, 2023 pursuant to the composite scheme of amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly-owned subsidiaries of Housing Development Finance Corporation Limited ("HDFC Limited") with and into HDFC Limited; and (ii) HDFC Limited with and into HDFC Bank

A composite scheme of amalgamation ("Scheme") for the amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly-owned subsidiaries of Housing Development Finance Corporation Limited ("HDFC Limited") with and into HDFC Limited; and (ii) HDFC Limited with and into HDFC Bank Limited ("HDFC Bank") under Sections 230 to 232 of the Companies Act, 2013, was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai ("NCLT") vide its order dated March 17, 2023. The said scheme has

become effective from July 01, 2023, consequent to the filing of said order with the Registrar of Companies.

Consequently, with effect from July 01, 2023 HDFC Bank has become the Ultimate Holding Company of the Company in place of HDFC Limited.

4. CAPITAL STRUCTURE

During the year under review, the shareholders of your Company at their Extra Ordinary General Meeting held on July 14, 2023 have approved the increase in Authorized Share Capital of the Company from ₹9,00,00,000/- divided into 90,00,000 Equity Shares of ₹10/- each to ₹35,00,00,000/- divided into 3,50,00,000 Equity Shares of ₹10/- each.

Further, the Company has issued and allotted 2,50,00,000 Equity Shares of ₹10/- each on rights basis to HDFC Asset Management Company Limited, Holding Company. Consequently, the issued, subscribed and paid-up equity share capital of the Company increased from ₹3,00,00,000/- divided into 30,00,000 equity shares of ₹10/- each as on April 1, 2023 to ₹34,00,00,000/- divided into 3,40,00,000 equity shares of ₹10/- each as on March 31, 2024.

During the year under review, the Company has not issued any:

- a) Shares with differential rights as to dividend, voting or otherwise.
- b) Sweat equity shares.

5. DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2024.

6. TRANSFER TO RESERVES

There was no amount proposed to be transferred to the Reserves.

7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL DIRECTORS

During the year, the members at the 1st Annual General Meeting ('AGM') of the Company had appointed Mr. Shyamak Tata (DIN:07297729) and Mr. Vijay Karnani (DIN: 02234257) as Independent Directors of the Company, for a term of 3 consecutive years i.e. with effect from December 14, 2022 upto December 13, 2025.

During the Financial Year 2023-24, there has been no change in the Directors of the Company other than the above.

Mr. Tata and Mr. Karnani, Independent Directors, have submitted declarations stating that they meet the criteria of independence as per the provisions of the Companies Act, 2013 ('the Act').

The said Independent Directors have also confirmed that in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database as prescribed under the Act. Further, in terms of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA).

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act, the Rules made thereunder and are independent of the management.

All the Directors of your Company have confirmed that they are not disqualified for being appointed as Directors as specified under Section 164 of the Act.

Your Company has been exempted from the provisions of Section 152 (6) & (7) of the Act, in terms of MCA Notification dated January 4, 2017 and hence none of the Non-Executive Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL

During the year under review, following Key Managerial Personnel were appointed by the Board of Directors of your Company w.e.f. October 5, 2023, in accordance with the provisions of Section 203 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Mr. Manas Kumar - Chief Executive Officer,
- b) Mr. Bhavin Shah - Chief Financial Officer and
- c) Mr. Paresh Sawant - Company Secretary

Further, during the year under review, in accordance with the provisions of IFSCA (Fund Management) Regulations, 2022 ('IFSCA Regulations'), the Board of Directors of your Company has appointed Mr. Ashish Mohnot as Principal Officer in place of Mr. Manas Kumar, Mr. Bhavin Shah as

Compliance & Risk Manager in place of Ms. Divya Chouta and Mr. Arnab Sarkar as Fund Manager of the Company in place of Mr. Yogesh Budhwani subject to the approval of IFSCA. Under Regulation 7 of IFSCA Regulations they are the Key Managerial Personnel (KMPs) of the Company.

Your Company has received an approval from IFSCA regarding the said appointments of KMPs under IFSCA Regulations, effective from February 21, 2024. Consequently, Mr. Manas Kumar who earlier held the position of Principal Officer, Ms. Divya Chouta and Mr. Yogesh Budhwani who previously served as the Compliance & Risk Manager and the Fund Manager of the Company respectively, have ceased to be the KMPs of the Company effective from February 21, 2024.

8. BOARD MEETINGS

During the Financial Year 2023-24, Four (4) meetings of the Board of Directors of your Company were held on April 20, 2023, July 14, 2023, October 05, 2023 and January 05, 2024.

The details pertaining to attendance of each Director at the meetings of the Board of Directors held during the financial year 2023-24 are mentioned below:

Sr. No.	Name of the Director	Nature of Directorship	Number of Board Meetings	
			Held during the financial year	Attended
1	Mr. Navneet Munot	Chairman and Non-Executive Director	4	4
2	Mr. V. Suresh Babu	Non-Executive Director	4	4
3	Mr. Shyamak Tata	Independent Director	4	4
4	Mr. Vijay Karnani	Independent Director	4	3

9. AUDITORS AND AUDITORS' REPORT

In terms of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants (ICAI FRN: 101248W/W-100022) were re-appointed as the Statutory Auditors of your Company for a period of 5 continuous years i.e. from the conclusion of 1st AGM till the conclusion of 6th AGM of the Company.

The Auditor's Report on the financial statements of the Company for the financial year ended March 31, 2024 forms part of the Annual Report.

There were no qualifications, reservations or adverse comments or disclaimer made by the Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants, in their audit report.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

10. RISK MANAGEMENT POLICY

The Risk Management Policy of your Company as approved by the Board, provides a framework to identify, assess, monitor and mitigate various risks. This framework incorporates the checks, process and procedures to identify potential risks in the investment and operational areas of the business and minimise their impact through necessary control on your Company. The framework is designed to identify risks, assess their likelihood and impact, ensure the review of mitigation measures and requires reporting on a regular basis.

11. INTERNAL FINANCIAL CONTROLS

Your Company has internal control systems which are commensurate with the size and complexity of its operation.

Further, the internal financial controls related to financial statements are found adequate and operating effectively and that no material weakness has been noticed during the year under review.

12. CORPORATE SOCIAL RESPONSIBILITY

Not applicable as your Company has been exempted from applicability of the provisions of Section 135 of the Companies Act, 2013 in terms of MCA Notification dated January 4, 2017 w.r.t current Financial year.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, your Company has entered into transactions with related parties, which were in the ordinary course of business and on arms' length basis. Further, there was no material transaction with any related parties and / or any other related party transaction entered into by the Company that requires disclosure in Form AOC 2, hence disclosure in Form AOC 2 is not applicable to the Company.

The disclosures pertaining to related party transaction as per the applicable Accounting Standards form part of the notes to the financial statements provided in this Annual Report.

14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans or provided any guarantees/securities or made any investments.

15. DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

16. ANNUAL RETURN

The Company has been exempted from requirement to place a copy of Annual Return on its website in terms of MCA notification dated January 4, 2017.

17. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The information pertaining to the conservation of energy and technology absorption in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is stated as below:

(a) Conservation of energy and technology absorption

Your Company is in financial services industry and does not consume high levels of energy. However, regular efforts are made to adopt appropriate energy conservation measures and technology absorption methods.

(b) Foreign Exchange, earnings and expenditure during the year

Particulars	(₹ in thousands)	
	Year ended 31st March 2024	For the period ended March 2023
Foreign Exchange Earnings	-	-
Foreign Exchange Expenditure	29,741.28	5937.80

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the Regulator or Court or Tribunal impacting the going concern status of the Company and its operations in future.

19. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE FINANCIAL YEAR END TILL THE DATE OF THIS REPORT

There have been no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2023-24 and the date of this Report.

20. PARTICULARS OF EMPLOYEES

As on March 31, 2024 there are 4 employees in the Company. Further, your Company does not offer stock options to any of its directors/employee.

21. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH")

Your Company has framed and implemented a Policy on Sexual Harassment of Women at Workplace aiming at prevention of harassment of employees which lays down the guidelines for identification, reporting and prevention of undesired behaviour. The Policy, IC Members' details and the penal consequences of violating the said Act/Policy are displayed. During the year, no complaint pertaining to sexual harassment was received.

22. OTHER DISCLOSURES

- There was no revision in the financial statements of the Company.
- Disclosure pertaining to maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable to your Company.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.
- There was no one time settlement entered into with any Bank or financial institutions in respect of any loan taken by the Company.

23. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of March 31, 2024 and of the loss of the Company for that period;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

- the annual accounts of the Company have been prepared on a going concern basis;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. SECRETARIAL STANDARDS

Your Company has been exempted from requirement to comply with the Secretarial Standards issued by the Institute of Company Secretaries of India pursuant to of MCA notification dated January 4, 2017.

25. ACKNOWLEDGEMENTS

The Directors take this opportunity to thank its shareholders, bankers, distributor and other service providers for their continued support. The Directors would like to convey their gratitude to HDFC Asset Management Company Limited, promoter of your Company and its management and look forward to their continued support.

The Directors acknowledge the valuable assistance, support and guidance given by the International Financial Services Centres Authority, Reserve Bank of India, Ministry of Corporate Affairs and Registrar of Companies.

The Directors wish to place on record their appreciation to employees for their dedication and commitment.

On behalf of the Board of Directors

Navneet Munot

Chairman
(DIN:05247228)

V Suresh Babu

Director
(DIN:09622653)

Date: April 10, 2024

Place : Mumbai

Independent Auditor's Report

To the Members of HDFC AMC International (IFSC) Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HDFC AMC International (IFSC) Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's

directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of

Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations as at 31 March 2024 which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 27(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 27(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which, along with access management tools, as applicable, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Place: Mumbai

Date: April 10, 2024

Membership No.: 118189

ICAI UDIN: 24118189BKDBBK7104

Annexure A to the Independent Auditor's Report

on the Financial Statements of HDFC AMC International (IFSC) Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
 - (ii) (a) The Company is a service company, primarily rendering Investment Management services.
- Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
 - (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
 - (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
 - (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
 - (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
 - (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year and hence section 42 is not applicable. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is an unlisted public company which is a wholly owned subsidiary and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of a group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended) wherein there is any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of ₹ 30,753.89 thousands in the current financial year and ₹ 5,416.06 thousands in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Place: Mumbai

Date: April 10, 2024

Membership No.: 118189

ICAI UDIN: 24118189BKDBBK7104

Annexure B to the Independent Auditor's Report

on the financial statements of HDFC AMC International (IFSC) Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HDFC AMC International (IFSC) Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Place: Mumbai

Date: April 10, 2024

Membership No.: 118189

ICAI UDIN: 24118189BKDBBK7104

Balance Sheet

as at March 31, 2024

		(₹ in thousands)	
Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
I Financial Assets			
a Cash and Cash Equivalents	4	1,224.05	13,403.49
b Bank Balance other than (a) above	5	287,331.77	16,761.74
c Other Financial Assets	6	39.91	9,440.47
Sub-total - Financial Assets		288,595.73	39,605.70
II Non Financial Assets			
a Current Tax Assets (net)		741.09	20.45
b Property, Plant and Equipment	7	13,290.18	-
c Other Intangible Assets	7	18.45	-
d Other Non Financial Assets	8	291.08	-
Sub-total - Non Financial Assets		14,340.80	20.45
Total Assets		302,936.53	39,626.16
Liabilities and Equity			
Liabilities			
I Financial Liabilities			
a Payables			
Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	9	38.70	540.00
(ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	9	1,650.26	270.00
b Other Financial Liabilities	10	759.65	14,596.25
Sub-total - Financial Liabilities		2,448.61	15,406.25
II Non Financial Liabilities			
a Provisions	11	519.70	-
b Other Non Financial Liabilities	12	680.97	90.00
Sub-total - Non Financial Liabilities		1,200.67	90.00
Total Liabilities		3,649.28	15,496.25
III Equity			
a Equity Share Capital	13	340,000.00	30,000.00
b Other Equity	14	(40,712.75)	(5,870.09)
Sub-total - Equity		299,287.25	24,129.91
Total Liabilities and Equity		302,936.53	39,626.16

Summary of material accounting policies and accompanying notes form an integral part of the financial statements

As per our report attached of even date

For and on behalf of the Board of Directors

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Membership No.: 118189

Navneet Munot

Chairman

(DIN: 05247228)

Manas Kumar

Chief Executive Officer

V Suresh Babu

Director

(DIN:09622653)

Bhavin Shah

Chief Financial Officer

Paresh Sawant

Company Secretary

(ACS: 50452)

Mumbai, April 10, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in thousands except per equity share data)

Particulars	Note No.	For the year ended March 31, 2024	For the period ended March 31, 2023
Revenue from Operations		-	-
Other Income	15	9,673.23	521.74
Total Income		9,673.23	521.74
Expenses			
Employee Benefits Expenses	16	5,865.94	-
Depreciation, Amortisation and Impairment	7	779.08	-
Other Expenses	17	34,561.18	5,937.80
Total Expenses		41,206.20	5,937.80
Profit/ (Loss) Before Tax		(31,532.97)	(5,416.06)
Tax Expense			
Current Tax - Previous Year	19	143.86	-
Profit/(Loss) After Tax		(31,676.83)	(5,416.06)
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of the defined benefit plans		(176.11)	-
(ii) Items that will be reclassified to profit or loss			
- Foreign Currency Translation Reserve		(2,678.95)	(424.54)
Total Other Comprehensive Income		(2,855.06)	(424.54)
Total Comprehensive Income		(34,531.89)	(5,840.60)
Earnings Per Equity Share - Basic and Diluted (Face Value ₹ 10)	18	(1.53)	(1.81)

Summary of material accounting policies and accompanying notes form an integral part of the financial statements

As per our report attached of even date

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Membership No.: 118189

Navneet Munot

Chairman

(DIN: 05247228)

Manas Kumar

Chief Executive Officer

V Suresh Babu

Director

(DIN:09622653)

Bhavin Shah

Chief Financial Officer

Paresh Sawant

Company Secretary

(ACS: 50452)

Mumbai, April 10, 2024

Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital

Particulars	(₹ in thousands)		
	Balance at the beginning of the year / period	Changes in equity share capital during the year / period	Balance at the end of the year / period
Equity Shares of ₹ 10 each (March 31, 2023: ₹ 10 each), fully paid up			
As at March 31, 2023	-	30,000.00	30,000.00
At at March 31, 2024	30,000.00	3,10,000.00	3,40,000.00

B. Other Equity

Particulars	(₹ in thousands)		
	Reserves and Surplus Retained Earnings	Items of OCI Foreign Currency Translation Reserve	Total Other Equity
Opening balance as at May 27, 2022	-	-	-
Profit/ (Loss) for the period	(5,416.06)	-	(5,416.06)
Other Comprehensive Income for the period ended March 31, 2023	-	(424.54)	(424.54)
Total Comprehensive Income for the period	(5,416.06)	(424.54)	(5,840.60)
Transaction Cost on issuance of shares	(29.49)	-	(29.49)
Changes during the period	(5,445.55)	(424.54)	(5,870.09)
Closing balance as at March 31, 2023	(5,445.55)	(424.54)	(5,870.09)
Opening balance as at April 1, 2023	(5,445.55)	(424.54)	(5,870.09)
Profit/ (Loss) for the year	(31,676.83)	-	(31,676.83)
Other Comprehensive Income for the year ended March 31, 2024	(176.11)	(2,678.95)	(2,855.06)
Total Comprehensive Income for the year	(31,852.94)	(2,678.95)	(34,531.89)
Transaction Cost on issuance of shares	(310.77)	-	(310.77)
Changes during the year	(32,163.71)	(2,678.95)	(34,842.66)
Closing balance as at March 31, 2024	(37,609.26)	(3,103.49)	(40,712.75)

Summary of material accounting policies and accompanying notes form an integral part of the financial statements

As per our report attached of even date

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Membership No.: 118189

For and on behalf of the Board of Directors

Navneet Munot

Chairman

(DIN: 05247228)

Manas Kumar

Chief Executive Officer

V Suresh Babu

Director

(DIN:09622653)

Bhavin Shah

Chief Financial Officer

Paresh Sawant

Company Secretary

(ACS: 50452)

Mumbai, April 10, 2024

Statement of Cash Flows

for the year ended March 31, 2024

(₹ in thousands)

Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
A. Cash flow from operating activities		
Profit/ (Loss) Before Tax	(31,532.97)	(5,416.06)
Add / (Less) : Adjustments for		
Depreciation, Amortisation and Impairment	779.08	-
Net (gain) / loss on foreign currency transactions	200.12	15.04
Interest on deposit with banks	(9,241.95)	(318.36)
Operating Profit/ (Loss) before working capital changes	(39,795.72)	(5,719.38)
Adjustments for:		
(Increase) / Decrease in Other Financial Assets	161.60	(9,440.47)
(Increase) / Decrease in Other Non Financial Assets	(289.05)	-
Increase / (Decrease) in Trade Payable	861.50	807.42
Increase / (Decrease) in Other Financial Liabilities	(13,963.99)	14,583.79
Increase / (Decrease) in Provisions	516.07	-
Increase / (Decrease) in Other Non Financial Liabilities	409.93	90.00
Cash generated from / (used) in operations	(52,099.66)	321.36
Income Tax Paid	(859.18)	(20.45)
Net cash from / (used in) operating activities (A)	(52,958.84)	300.90
B. Cash flow from investing activities		
Purchase of Property, Plant & Equipment and Other Intangible Assets	(4,669.50)	-
Investments in Fixed Deposits	(5,20,007.15)	(16,443.38)
Proceeds from Fixed Deposits	2,53,084.78	-
Interest Received	6,970.85	-
Net cash from / (used in) investing activities (B)	(2,64,621.02)	(16,443.38)
C. Cash flow from financing activities		
Proceeds from Issuance of Share Capital	3,09,689.23	29,970.51
Net cash from / (used in) financing activities (C)	3,09,689.23	29,970.51
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(7,890.63)	13,828.03
Cash and Cash Equivalents at the beginning of the year / period	13,403.49	-
Effect of exchange gain / (loss) on cash and cash equivalents	(4,288.81)	(424.54)
Cash and Cash Equivalents at the end of the year / period	1,224.05	13,403.49
Cash and cash equivalents comprising of:		
In Current Accounts	1,224.05	1,064.38
In Deposit Accounts - Original maturity of 3 months or less	-	12,339.11
Total	1,224.05	13,403.49

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Summary of material accounting policies and accompanying notes form an integral part of the financial statements

As per our report attached of even date

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Membership No.: 118189

Navneet Munot

Chairman

(DIN: 05247228)

Manas Kumar

Chief Executive Officer

V Suresh Babu

Director

(DIN:09622653)

Bhavin Shah

Chief Financial Officer

Paresh Sawant

Company Secretary

(ACS: 50452)

Mumbai, April 10, 2024

Notes to Financial Statements

for the year ended March 31, 2024

1. Company Overview

HDFC AMC International (IFSC) Limited ('the Company') is a public limited company domiciled in India and its registered office is situated at 1115A, Block 13B, Zone I, 11th Floor, Hiranandani Signature, SEZ, GIFT City, Gandhinagar, Gujarat, India, 382355. The Company has been incorporated under the Companies Act, 2013 on May 27, 2022. The Company has been formed as a Wholly Owned Subsidiary ('WOS') of HDFC Asset Management Company Limited. The Company is in the business of providing Investment Manager Services, act as a sponsor / settler for the GIFT Funds and providing discretionary / non - discretionary portfolio management services to clients.

The International Financial Services Centres Authority ('IFSCA') has granted a Certificate of Registration (IFSCA/FME/III/2023-24/073) under the Registered Fund Management Entity – Retail category on August 14, 2023. The Certificate of Registration is subject to the provisions of The International Financial Services Centres Authority Act, 2019, and IFSCA (Fund Management) Regulations, 2022.

2. Basis of preparation and recent accounting developments

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared and presented on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, ('the Act') and other relevant provisions of the Act, as amended from time to time.

The financial statements were approved for issue by the Company's Board of Directors on April 10, 2024.

Details of the Company's material accounting policies are included in Note 3.

b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 21.

c) Functional and presentation currency

US Dollar (USD) is the currency of the primary economic environment in which the Company operates and hence the functional currency of the Company.

The financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency. It is necessary for the results and financial position of each individual entity included in the Group to be translated into the currency in which the Parent Company presents its financial statements. As the Parent Company presents its financial statements in Indian Rupees (INR), the Company's financial statements are translated into Indian Rupees (INR). Additionally, the same is required to comply with income-tax and other statutory laws.

d) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in foreign currency are not re-translated.

e) Translation to presentation currency (Foreign Currency Translation Reserve)

For the purpose of preparation of financial statements in Indian Rupees (INR), the assets

Notes to Financial Statements

for the year ended March 31, 2024

and liabilities of the Company are translated into Indian Rupees (INR) using the rate of exchange prevailing at the reporting date and its Statement of Profit and Loss is translated using an average rate to translate income and expense items. The exchange differences arising from the translation of financial statements of the Company is recognised in Other Comprehensive Income (OCI) and is presented within other equity as foreign currency translation reserve.

f) Rounding Off

All amounts have been rounded-off to the nearest thousands up to two decimal places, unless otherwise indicated.

g) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial instruments (as explained in the accounting policies below)	Fair Value
Net defined benefit liability	Present value of defined benefit obligations

h) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions as on the reporting date. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results/ actions are known or materialised. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about critical judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 3.3(A)(c) and 7 - estimates of useful lives and residual value of property, plant and equipment
- Note 21 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 24 - financial instruments - fair values, risk management and impairment of financial assets

i) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Measurement of fair values includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received on sale of asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgement and estimation in the determination of fair value. Judgement and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Notes to Financial Statements

for the year ended March 31, 2024

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 20 - financial instruments - fair values, risk management and impairment of financial assets

2.2 Recent Accounting Developments:

Standards issued but not yet effective

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards. There is no such notification on accounting standards which would have been applicable to the Company from April 1, 2024.

3. Material Accounting Policies

3.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.2 Financial Instruments

a) Recognition and initial measurement of financial assets and financial liabilities

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All the financial assets and financial liabilities are initially recognised at fair value. A financial asset

or financial liability which is not recognised at Fair Value through Profit or Loss is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

b) Financial Assets - Classification, subsequent measurement and gains and losses

Classification

On initial recognition, a financial asset is classified as measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Notes to Financial Statements

for the year ended March 31, 2024

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset as at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset

on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, any interest or dividend income, are recognised and are presented separately in the Statement of Profit and Loss

Notes to Financial Statements

for the year ended March 31, 2024

c) Financial liabilities - Classification, subsequent measurement and gains and losses

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A Financial Liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

d) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

e) Impairment of financial instruments

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not classified as FVTPL or equity investments at FVOCI. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to Statement of Profit and Loss and is recognised in OCI.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to

Notes to Financial Statements

for the year ended March 31, 2024

repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

f) Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.3 (A) Property, plant and equipment

a) Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Following is the summary of useful lives of the assets as per management's estimate and as required by the Companies Act, 2013 except assets individually costing less than Rupees five thousand which are fully depreciated in the year of purchase / acquisition.

Class of property, plant and equipment	Useful Life (no. of years)	
	As per the Companies Act, 2013	As per Management's estimate
Buildings	60	60
Computer Equipment	3	3
Furniture and Fixtures*	10	7
Office Equipment	5	5
Improvement of Rented Premises	Not specified	Over the lease term or 5 years, whichever is less

*Based on technical advice, management is of the opinion that the useful lives of these assets reflect the period over which they are expected to be used.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if required.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready to use / disposed off.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c) Depreciation

Depreciation on property, plant and equipment is provided on straight-line basis as per the estimated useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except for certain assets.

d) Derecognition

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Notes to Financial Statements

for the year ended March 31, 2024

(B) Other intangible assets

a) Recognition and measurement

Other intangible assets includes computer software which are measured at cost and recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Such other intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Statement of Profit and Loss. Computer Software is being amortised over a period of 3 years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if required.

d) Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use, and the resultant gains or losses are recognized in the Statement of Profit and Loss.

3.4 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or goodwill is the higher of its value in use and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it.

An impairment loss is recognised if the carrying amount of an asset or goodwill exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Revenue Recognition

a) Rendering of services

The Company is in the business of providing Investment Manager Services, act as a sponsor / settler for the GIFT AIF Funds and providing discretionary / non - discretionary portfolio management services to clients (PMS).

As at the end of the reporting period, the Company is in the process of setting up its business operations.

b) Recognition of dividend income, interest income or expense, gains and losses from financial instruments

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive dividend is established.

Interest income or expense is recognised using the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or

Notes to Financial Statements

for the year ended March 31, 2024

receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of credit-impaired financial asset (i.e. the gross carrying amount less the allowance for expected credit losses). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income/expense on financial instruments at FVTPL is not included in fair value changes but presented separately.

The realised gains/losses from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gains/losses represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

3.6 Employee benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a

result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Company makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

National Pension System (NPS)

NPS is a defined contribution plan. In case employee opts for NPS, the Company contributes a sum not exceeding 10% of basic salary plus dearness pay, if any, of the eligible employees' salary to the NPS. The Company recognizes such contribution as an expense as and when incurred.

c) Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating and discounting the amount of future benefit that employees have earned in the current and prior periods.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised in Other Comprehensive Income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of

Notes to Financial Statements

for the year ended March 31, 2024

the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

3.7 Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, the provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pretax rate that reflects current market assessments

of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

3.8 Leases

The Company assesses whether the contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company leases its office premises. The Company recognises Right-of-Use (ROU) and lease liabilities for these leases i.e. these leases are on-balance sheet, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and is discounted using the

Notes to Financial Statements

for the year ended March 31, 2024

Company's incremental borrowing rate. Since the Company does not have any debts, the Company's incremental borrowing rate has been determined based on the risk-free rate which is adjusted for the financial spread based on the credit spread of the Ultimate Holding Company.

Certain leases include lease and non-lease components, which are accounted for as one single lease component. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as maintenance expenses and utilities. To the extent these are fixed or determinable, they are included as part of the lease payments used to measure the lease liability.

The ROU asset is initially measured at cost, which comprises of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received; plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. The ROU assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease term is determined as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The lease liability is remeasured when there is a change in one of the following:

- the Company's estimate of the amount expected to be payable under a residual value guarantee, or
- the Company's assessment of whether it will exercise a purchase, extension, or termination option or
- if there is a modification in the lease.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the ROU asset has been reduced to nil.

3.9 Income Tax

Income tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits, if any.

Deferred tax is not recognised for -

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination, that affects neither accounting nor taxable profit or loss at the time of the transaction and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of losses,

Notes to Financial Statements

for the year ended March 31, 2024

the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

3.10 Earnings Per Share (EPS)

The basic earnings per share is computed by dividing profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

The diluted earnings per share is computed by dividing profit after tax attributable to the equity shareholders adjusted for the effects of all dilutive potential ordinary shares by the weighted average number of equity shares outstanding plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares, unless they are antidilutive.

3.11 Dividends on equity shares

The Company recognises a liability to make cash distributions to equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognised directly in equity.

Notes to Financial Statements

for the year ended March 31, 2024

Note 4 Cash and Cash Equivalents

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
In Current Accounts	1,224.05	1,064.38
In Deposit Accounts - Original maturity of 3 months or less	-	12,339.11
Total	1,224.05	13,403.49

Note 5 Bank Balance Other than Cash and Cash Equivalents

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
In Deposit Accounts - Original Maturity more than 3 months and remaining maturity less than 12 months	2,87,331.77	16,761.74
Total	2,87,331.77	16,761.74

Note 6 Other Financial Assets

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance against Lease	-	9,440.47
Security Deposits	14.11	-
Others	25.80	-
Total	39.91	9,440.47

Note 7 Property, Plant and Equipment and Other Intangible Assets

(₹ in thousands)

Particulars	Property, Plant and Equipment						Intangible Assets
	Right of Use Asset	Improvement of Rented Premises	Furniture & Fixtures	Office Equipment	Computer Equipment	Total	Computer Software
Gross Block							
Balance as at May 27, 2022	-	-	-	-	-	-	-
Additions during the period	-	-	-	-	-	-	-
Deductions/adjustments	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	-	-	-	-	-	-
Additions during the year	9,277.50	3,115.98	191.75	966.05	396.23	13,947.51	19.60
Deductions/adjustments	-	-	-	-	-	-	-
Translation adjustment	93.21	22.98	1.12	8.27	0.41	125.99	0.09
Balance as at March 31, 2024	9,370.71	3,138.96	192.87	974.32	396.64	14,073.50	19.69

Notes to Financial Statements

for the year ended March 31, 2024

(₹ in thousands)

Particulars	Property, Plant and Equipment						Intangible Assets
	Right of Use Asset	Improvement of Rented Premises	Furniture & Fixtures	Office Equipment	Computer Equipment	Total	Computer Software
Depreciation / Amortization							
Balance as at May 27, 2022	-	-	-	-	-	-	-
For the period	-	-	-	-	-	-	-
Deductions/adjustments	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	-	-	-	-	-	-
For the year	140.69	388.93	18.10	139.23	90.90	777.85	1.23
Deductions/adjustments	-	-	-	-	-	-	-
Translation adjustment	0.98	2.74	0.13	0.98	0.64	5.47	0.01
Balance as at March 31, 2024	141.67	391.67	18.23	140.21	91.54	783.32	1.24
Net Block							
Balance as at March 31, 2023	-	-	-	-	-	-	-
Balance as at March 31, 2024	9,229.04	2,747.29	174.64	834.11	305.10	13,290.18	18.45

Note 8 Other Non Financial Assets

(Considered good - unsecured)

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Expenses	291.08	-
Total	291.08	-

Note 9 Trade Payables

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding dues of Micro Enterprises and Small Enterprises	38.70	540.00
Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,650.26	270.00
Total	1,688.96	810.00

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro and Small enterprises, which have registered with the competent authorities.

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the year end	38.70	540.00
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil

Dues to Micro and Small Enterprises have been determined on the basis of information collected by the Company.

Notes to Financial Statements

for the year ended March 31, 2024

Trade Payables Ageing

(₹ in thousands)

Particulars	Unbilled dues (A)	Outstanding for following periods from due date of payment				Total (B)	As at March 31, 2024 (A+B)
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed dues - MSME	38.70	-	-	-	-	-	38.70
Undisputed dues - Others	1,650.26	-	-	-	-	-	1,650.26
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	1,688.96	-	-	-	-	-	1,688.96

Particulars	Unbilled dues (A)	Outstanding for following periods from due date of payment				Total (B)	As at March 31, 2023 (A+B)
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed dues - MSME	540.00	-	-	-	-	-	540.00
Undisputed dues - Others	270.00	-	-	-	-	-	270.00
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	810.00	-	-	-	-	-	810.00

Note 10 Other Financial Liabilities

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefits	738.81	-
Others Dues	20.84	14,596.25
Total	759.65	14,596.25

Note 11 Provisions

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	289.21	-
Provision for gratuity	230.49	-
Total	519.70	-

Note 12 Other Non Financial Liabilities

(₹ in thousands)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefits	14.47	-
Statutory Dues	666.50	90.00
Total	680.97	90.00

Notes to Financial Statements

for the year ended March 31, 2024

Note 13 Equity Share Capital

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Authorised		
3,50,00,000 Equity Shares (Previous Year: 90,00,000 Equity Shares) of ₹ 10 each	3,50,000.00	90,000.00
	3,50,000.00	90,000.00
Issued, Subscribed and Paid-up		
3,40,00,000 Equity Shares (Previous Year: 30,00,000 Equity Shares) of ₹ 10 each, fully paid up	3,40,000.00	30,000.00
	3,40,000.00	30,000.00

a) Movement in Equity Share Capital during the period:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Equity Shares	Share Capital	No. of Equity Shares	Share Capital
Shares outstanding at the beginning of the year / period (face value of ₹ 10 each)	30,00,000	30,000.00	-	-
Add: Shares issued during the year / period (face value of ₹ 10 each)	3,10,00,000	3,10,000.00	30,00,000	30,000.00
Shares outstanding at the end of the year / period (face value of ₹ 10 each)	3,40,00,000	3,40,000.00	30,00,000	30,000.00

b) Terms / Rights attached to Equity Shares

- The Company had issued only one class of equity shares referred to as equity share having face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.
- The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the Shareholders at the Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c) Details of Holding Company and Shareholders holding more than 5 percent Share Capital of the Company:

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Equity Shares (Face Value ₹ 10)	% of Share Capital	No. of Equity Shares (Face Value ₹ 10)	% of Share Capital
HDFC Asset Management Company Limited (Holding Company) and its nominees	3,40,00,000	100.00	30,00,000	100.00

Notes to Financial Statements

for the year ended March 31, 2024

d) Details of shareholding of Promoters:

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of Equity Shares (Face Value ₹ 10)	% of total Share Capital	% Change during the period #	No. of Equity Shares (Face Value ₹ 10)	% of total Share Capital	% Change during the period#
HDFC Asset Management Company Limited (Holding Company) and its nominees	3,40,00,000	100.00	1,033.33	30,00,000	100.00	NA

#Computed vis-à-vis number of shares held by the same entity

e) Equity shares movement during 5 years preceding the Balance Sheet date

The Company was incorporated on May 27, 2022. Since incorporation, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.

Note 14 Nature and Purpose of Reserves

Retained earnings

Retained earnings are the profits/(losses) that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

Foreign Currency Translation Reserve

The net impact of changes for the purpose of preparation of financial statement in presentation currency (₹) from functional currency (USD) wherein income and expenses are translated at average rate and the assets and liabilities except equity shares are stated at closing rate is presented under foreign exchange translation reserve.

Refer 'Other Equity' section in 'Statement of Changes in Equity' for movement in reserves and surplus during the year.

Note 15 Other Income

Particulars	(₹ in thousands)	
	For the year ended March 31, 2024	For the period ended March 31, 2023
Interest on deposit with Banks		
- On Financial Assets measured at Amortised Cost	9,618.17	521.74
Net Gain on foreign currency transactions	55.06	-
Total	9,673.23	521.74

Note 16 Employee Benefits Expenses

Particulars	(₹ in thousands)	
	For the year ended March 31, 2024	For the period ended March 31, 2023
Salaries, Allowances and Bonus	5,753.05	-
Contribution to Provident and Other Funds	87.78	-
Staff Welfare and Training Expenses	25.11	-
Total	5,865.94	-

Notes to Financial Statements

for the year ended March 31, 2024

Note 17 Other Expenses

Particulars	(₹ in thousands)	
	For the year ended March 31, 2024	For the period ended March 31, 2023
Directors' Sitting Fees	351.10	99.07
Auditors Remuneration:		
Statutory Audit	347.56	98.54
Limited Reviews	298.77	197.20
Group Audit and Reviews	697.28	-
Reimbursement of Expenses	72.56	-
	1,416.17	295.74
Legal and Professional Fees	16,220.16	2,977.83
Scheme Issue Expenses	13,805.24	-
Travel and Conveyance	219.30	218.18
Pre-incorporation expenses	-	1,249.15
Net Loss on foreign currency transactions	-	15.04
Software Expenses	1,227.38	1,076.75
Recruitment Expenses	448.60	-
Electricity Expenses	112.55	-
Communication Expenses	260.58	-
Office Cleaning and Security Cost	163.66	-
Repairs and Maintenance	241.27	-
Miscellaneous expenses	95.17	6.03
Total	34,561.18	5,937.80

Note 18 Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the profit after tax for the year / period attributable to equity shareholders of Company by the weighted average number of equity shares outstanding during the year / period. The Company did not have any potentially dilutive securities.

Particulars	(₹ in thousand except per equity share data)	
	For the year ended March 31, 2024	For the period ended March 31, 2023
Profit/ (Loss) after tax for the year / period	(31,676.83)	(5,416.06)
Weighted Average equity shares outstanding during the year / period	2,06,96,721	30,00,000
Earnings per share basic and diluted	(1.53)	(1.81)
Face value per share	10.00	10.00

Notes to Financial Statements

for the year ended March 31, 2024

Note 19 Tax Expense

Components of Income Tax Expense

(a) Amounts recognised in the Statement of Profit and Loss

(₹ in thousands)

Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
Current Tax - Previous Year	143.86	-
	143.86	-
Deferred tax (Income)/expense		
Origination and reversal of temporary differences	-	-
	-	-
Income Tax expense for the year	143.86	-

(b) Tax on amounts recognised in Other Comprehensive Income

(₹ in thousands)

Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
Remeasurement of the defined benefit plans	-	-
Foreign Currency Translation Reserve	-	-
Total	-	-

(c) Reconciliation of Effective Tax Rate

Reconciliation between the statutory Income tax rate applicable to the Company and the effective Income tax rate of the Company

(₹ in thousands)

Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
Profit / (Loss) before tax	(31,532.97)	(5,416.06)
Company's domestic tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	-	-
Tax effect of/on:		
Others - Previous Year tax	143.86	-
Total	143.86	-
Income Tax expense for the year	143.86	-

(d) Effective Tax Rate (%)

Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
Effective Tax Rate (%)	0.46%	0.00%

Notes to Financial Statements

for the year ended March 31, 2024

Note 20 Leases

The Company has entered into leasing arrangement for premises. The said lease is non-cancellable. Right of Use asset has been included under the line 'Property, Plant and Equipment'.

(i) Amounts recognised in the Balance sheet

(₹ in thousands)		
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Right of Use assets (net) (Property, Plant and Equipment) - Note 1	9,229.04	-
(b) Lease liabilities - Note 2	-	-

(₹ in thousands)		
Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
(c) Additions to the Right of Use assets	9,277.50	-

(ii) Amounts recognised in the Statement of Profit and Loss

(₹ in thousands)		
Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
Depreciation charge for Right of Use assets	140.69	-

(iii) The Company currently does not have any significant sale and lease back transactions.

Notes:

- The Company had made advance upfront payment towards lease premium in the FY 2022-23 for the office premises taken on lease. The lease deed was executed in FY 2023-24 and hence, there is no cash outflow in this financial year
- A large portion of the future lease payments has already been paid by the Company. Accordingly, lease liability has not been accrued.

Note 21 Employee Benefits

a) Defined Contribution Plan

The Company has recognised the following amounts in the Statement of Profit and Loss, which are included under Contributions to Provident Fund and Other Funds:

(₹ in thousands)		
Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
Employer's contribution to Provident Fund	87.78	-

Notes to Financial Statements

for the year ended March 31, 2024

b) Defined Benefit Plan - Gratuity

The Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the gratuity plan are determined by an actuarial valuation. The said gratuity plan is unfunded.

The following tables summaries the components of net employee benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in Balance Sheet.

(i) Changes in Present Value of the Defined Benefit Obligation

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Obligation as at beginning of the year	-	-
Current service cost	53.14	-
Interest cost	-	-
Benefits paid	-	-
Actuarial (gains) / losses on obligation - due to change in demographic assumptions	-	-
Actuarial (gains) / losses on obligation - due to change in financial assumptions	-	-
Actuarial (gains) / losses on obligation - due to experience adjustments *	177.35	-
Obligation as at the end of the year	230.49	-

* excluding foreign currency translation reserve effect of ₹ 1.24

(ii) Amount recognised in the Balance Sheet

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Present Value of defined benefit obligation	(230.49)	-
Funded status [surplus / (deficit)]	(230.49)	-
Net (Liability) / Asset recognised in the Balance Sheet	(230.49)	-

(iii) Expenses recognised in the Statement of Profit and Loss

Particulars	(₹ in thousands)	
	For the year ended March 31, 2024	For the period ended March 31, 2023
Current service cost	53.14	-
Interest Cost	-	-
Expenses recognised in the Statement of Profit and Loss	53.14	-

Notes to Financial Statements

for the year ended March 31, 2024

(iv) Expenses recognised in Other Comprehensive Income (OCI)

Particulars	(₹ in thousands)	
	For the year ended March 31, 2024	For the period ended March 31, 2023
Actuarial (gains) / losses on Obligation *	177.35	-
Net (income) / expense for the year recognized in OCI *	177.35	-

*excluding foreign currency translation reserve effect of ₹ 1.24

(v) Amount recognised in the Balance Sheet

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Liability at the end of the year	230.49	-
Amount recognised in the Balance Sheet as Liability	230.49	-

(vi) Balance sheet reconciliation

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Net Liability as at the beginning of the year	-	-
Expenses recognised in the Statement of Profit and Loss	53.14	-
Expenses / (Income) recognised in OCI *	177.35	-
Net Liability / (Asset) recognized in Balance Sheet	230.49	-

* excluding foreign currency translation reserve effect of ₹ 1.24

(vii) Actuarial Assumptions

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Expected Return on Plan Assets	NA	-
Rate of Discounting	7.19%	-
Rate of Salary Increase	6.50%	-
Rate of Employee Turnover	For service 4 years and below 19.02% p.a. For service 5 years and above 9.34% p.a.	-
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	-

Notes to Financial Statements

for the year ended March 31, 2024

(viii) Maturity Analysis of the benefit payments

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Projected benefits payable in future years from the date of reporting		
1 st Following year	18.06	-
2 nd Following year	17.42	-
3 rd Following year	16.80	-
4 th Following year	16.21	-
5 th Following year	22.27	-
Sum of years 6 to 10	100.19	-
Sum of years 11 and above	321.39	-

(ix) Sensitivity Analysis

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Projected Benefit Obligation on Current Assumptions	230.49	-
Delta Effect of +1% Change in Rate of Discounting	(18.22)	-
Delta Effect of -1% Change in Rate of Discounting	21.28	-
Delta Effect of +1% Change in Rate of Salary Increase	21.21	-
Delta Effect of -1% Change in Rate of Salary Increase	(18.49)	-
Delta Effect of +1% Change in Rate of Employee Turnover	(1.43)	-
Delta Effect of -1% Change in Rate of Employee Turnover	1.35	-

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the Balance Sheet.

Notes to Financial Statements

for the year ended March 31, 2024

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(iii) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Entity has to manage pay-out based on pay as you go basis from own funds.

(iv) Mortality Risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

During the year, there were no plan amendments, curtailments and settlements.

Note 22 Related Party Transactions

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), the related parties of the Company with whom there have been transactions during the current year / previous period, are as follows:

Relationship	Name of the Parties
Holding Company	HDFC Asset Management Company Limited
Ultimate Holding Company	HDFC Bank Limited (from July 1, 2023)
	Housing Development Finance Corporation Limited (upto June 30, 2023)
Key Managerial Personnel (KMP)	Shyamak Ramyar Tata (from December 14, 2022)
	Vijay Mohan Karnani (from December 14, 2022)
	Manas Kumar (from October 5, 2023)
Other Related Parties	HDFC Bank Limited (upto June 30, 2023)

The nature and volume of transactions of the Company during the current year / previous period with the above related parties were as follows:

Notes to Financial Statements

for the year ended March 31, 2024

(a) Details of transactions and balances

(₹ in thousands)

Particulars	Ultimate Holding Company		Holding Company		Other Related Parties	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Income						
Interest on Deposits	9,134.63	-	-	-	483.54	521.74
Other transactions						
Reimbursement of Expenses	-	-	8,000.93	-	-	-
Asset						
Bank Balances	1,224.05	-	-	-	-	1,064.38
Fixed Deposits	2,84,721.86	-	-	-	-	28,775.92
Interest accrued on Fixed Deposit	2,609.91	-	-	-	-	324.94
Liability						
Other Payables	-	-	-	13,506.25	-	-

(b) Details of remuneration to Company's KMPs

(₹ in thousands)

Particulars	For the year ended March 31, 2024	For the period ended March 31, 2023
Short-term employee benefits	976.56	-
Post-employment benefits	50.60	-
Other long-term benefits	36.98	-
Directors Sitting Fees	351.10	99.07
Total Remuneration	1,415.24	99.07

Note 23 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital in a manner which enables it to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The funding requirements are temporarily met through capital infusion done by the parent company till the Company is operational. Once the Company is fully operational, the funding requirements shall be met through operating cash flows and other equity. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Notes to Financial Statements

for the year ended March 31, 2024

Note 24 Financial Instruments

A. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts of financial assets and financial liabilities

(₹ in thousands)

Particulars	Carrying Amount at Amortised Cost	
	As at March 31, 2024	As at March 31, 2023
Financial Assets		
Cash and Cash Equivalents	1,224.05	13,403.49
Other Bank Balances	2,87,331.77	16,761.74
Other Financial Assets	39.91	9,440.47
Total	2,88,595.73	39,605.70
Financial Liabilities		
Trade Payables	1,688.96	810.00
Other Financial Liabilities	759.65	14,596.25
Total	2,448.61	15,406.25

The fair values of above mentioned financial assets and financial liabilities approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

B. Financial Risk Management

Risk management is an integral part of the business practices of the Company. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors. The Company's Board of Directors has overall responsibility for managing the financial risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The Compliance & Risk Officer of the Company reviews the development and implementation of the risk management policy of the Company on periodic basis. The Compliance & Risk Officer provides guidance on the risk management activities, review the results of the risk management process and reports to the Board of Directors on the status of the risk management initiatives.

The Company has exposure to the following risks arising from Financial Instruments:

Particulars	Exposure arising from
Credit Risk	Cash and cash equivalents, other bank balances and financial assets measured at amortised cost
Liquidity Risk	Financial liabilities
Market Risk - Currency	Financial Assets and Financial liabilities not denominated in USD
Market Risk - Interest	Fixed Deposits with Bank

Notes to Financial Statements

for the year ended March 31, 2024

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, other bank balances and financial assets measured at amortised cost.

Exposure to credit risk is mitigated through regular monitoring of collections and counterparty's creditworthiness.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, other bank balances and financial assets measured at amortised cost.

Particulars	(₹ in thousands)	
	As at March 31, 2024	As at March 31, 2023
Maximum exposure to credit risk	2,88,595.73	39,605.70

Expected Credit Loss (ECL) on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive).

The Company has following types of financial assets that are subject to the expected credit loss:

- Cash and cash equivalents and other bank balances
- Other Financial Assets

Cash and Cash Equivalents and Other Bank Balances

The Company holds cash and cash equivalents and other bank balances as per Note 4 and 5. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

Other Financial Assets

The Company holds other financial asset as per Note 6. Based on the credit profile of counterparty, the Company does not expect any significant risk of default.

Notes to Financial Statements

for the year ended March 31, 2024

ii. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms.

The Company manages the liquidity risk by maintaining adequate reserves and by matching the maturity profiles of financial assets and liabilities. The Company maintains a portfolio of highly marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

Exposure to Liquidity Risk

The table below analyses the Company's financial liabilities into relevant maturity pattern based on their contractual maturities for all financial liabilities.

(₹ in thousands)

As at March 31, 2024	Carrying amount	Contractual Cash Flows		
		Total	1 year or less	More than 1 year
Financial Liabilities				
Trade Payables	1,688.96	1,688.96	1,688.96	-
Other Financial Liabilities	759.65	759.65	759.65	-
Total	2,448.61	2,448.61	2,448.61	-

(₹ in thousands)

As at March 31, 2023	Carrying amount	Contractual Cash Flows		
		Total	1 year or less	More than 1 year
Financial Liabilities				
Trade Payables	810.00	810.00	810.00	-
Other Financial Liabilities	14,596.25	14,596.25	14,596.25	-
Total	15,406.25	15,406.25	15,406.25	-

iii. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk and interest rate risk.

Currency Risk

United States Dollar (USD) is the functional currency of the Company. Hence, any currency other than USD is considered as foreign currency for the Company. The Company has insignificant amount of foreign currency exposure. Accordingly, the currency risk is insignificant.

Interest Rate Risk

The Company's investments are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is also insignificant.

Notes to Financial Statements

for the year ended March 31, 2024

Note 25 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

(₹ in thousands)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and Cash Equivalents	1,224.05	-	1,224.05	13,403.49	-	13,403.49
Bank Balance other than (a) above	2,87,331.77	-	2,87,331.77	16,761.74	-	16,761.74
Other Financial Assets	25.80	14.11	39.91	9,440.47	-	9,440.47
Sub total - Financial Assets	2,88,581.62	14.11	2,88,595.73	39,605.70	-	39,605.70
Non Financial Assets						
Current Tax Assets (net)	-	741.09	741.09	20.45	-	20.45
Property, Plant and Equipment	-	13,290.18	13,290.18	-	-	-
Other Intangible Assets	-	18.45	18.45	-	-	-
Other Non Financial Assets	207.13	83.95	291.08	-	-	-
Sub total - Non Financial Assets	207.13	14,133.67	14,340.80	20.45	-	20.45
Total Assets	2,88,788.75	14,147.78	3,02,936.53	39,626.16	-	39,626.16
Liabilities						
Financial Liabilities						
Payables						
Trade Payables						
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	38.70	-	38.70	540.00	-	540.00
(ii) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,650.26	-	1,650.26	270.00	-	270.00
Other Financial Liabilities	759.65	-	759.65	14,596.25	-	14,596.25
Sub total - Financial Liabilities	2,448.61	-	2,448.61	15,406.25	-	15,406.25
Non Financial Liabilities						
Provisions	274.25	245.45	519.70	-	-	-
Other Non Financial Liabilities	468.54	212.43	680.97	90.00	-	90.00
Sub total - Non Financial Liabilities	742.79	457.88	1,200.67	90.00	-	90.00
Total Liabilities	3,191.40	457.88	3,649.28	15,496.25	-	15,496.25

Note 26 Contingent liabilities and capital commitments

There are no contingent liabilities and capital commitments as at March 31, 2024 (Nil as at March 31, 2023)

Notes to Financial Statements

for the year ended March 31, 2024

Note 27 Statutory disclosures required as per Schedule III Division III of the Companies Act, 2013

(i) Ratios

Ratios	Numerator	Denominator	March 31, 2024	% Variance	Reason for Variance
(a) Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-	-
(b) Tier I CRAR*	-	-	-	-	-
(c) Tier II CRAR*	-	-	-	-	-
(d) Liquidity Coverage Ratio (no. of times) [Total Financial Assets (within 12 months) / Total Liabilities (within 12 months)]	2,88,581.62	3,191.40	90.42	3,437.99	The Company raised additional capital during the year. The surplus funds have been parked in fixed deposits with bank and hence total financial assets have increased considerably as compared to the previous year.

Ratios	Numerator	Denominator	March 31, 2023	% Variance	Reason for Variance
(a) Capital to risk-weighted assets ratio (CRAR)*	-	-	-	-	-
(b) Tier I CRAR*	-	-	-	-	-
(c) Tier II CRAR*	-	-	-	-	-
(d) Liquidity Coverage Ratio (no. of times) [Total Financial Assets (within 12 months) / Total Liabilities (within 12 months)]	39,605.70	15,496.25	2.56	NA	-

*Note: Since the Company is not in lending business, it does not have any credit exposure. Hence, these ratios are not applicable to the Company.

- (ii) The Company does not have any transaction with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The Company is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (iv) The Company does not have any transactions which were not recorded in the books of accounts, but offered as income during the year in the income tax assessment.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) No funds have been advanced/loaned/invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Financial Statements

for the year ended March 31, 2024

Note 28

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

Note 29

Previous period figures have been regrouped wherever necessary, in order to make them comparable.

As per our report attached of even date

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kapil Goenka

Partner

Membership No.: 118189

For and on behalf of the Board of Directors

Navneet Munot

Chairman

(DIN: 05247228)

Manas Kumar

Chief Executive Officer

Paresh Sawant

Company Secretary

(ACS: 50452)

V Suresh Babu

Director

(DIN:09622653)

Bhavin Shah

Chief Financial Officer

Mumbai, April 10, 2024

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

HDFC AMC INTERNATIONAL (IFSC) LIMITED
A Wholly Owned Subsidiary of HDFC Asset Management Company Limited
CIN: U67100GJ2022PLC132453
1115 A, Block 13-B, Zone 1, 11th Floor, Hiranandani Signature,
SEZ Gift City Gandhinagar – 382 355.