

B. K. Khare & Co.
Chartered Accountants

706/708, Sharda Chambers, New Marine
Lines, Mumbai – 400 020, India

INDEPENDENT AUDITORS' REPORT

To the members of HSBC Consultancy Services (India) Limited (earlier known as L&T Investment Management Limited)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of HSBC Consultancy Services (India) Limited (earlier known as L&T Investment Management Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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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 during the course of our 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.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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.

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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 financial 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 system 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 33 to the Financial Statements;

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- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, 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, whether, 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;
 - (b) The management has represented that, to the best of its knowledge and belief, 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, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

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- (vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Sd/-

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURFE5449
Place: Mumbai
Date: September 7, 2023

Annexure A to the Independent Auditors' Report

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of HSBC Consultancy Services (India) Limited (earlier known as L&T Investment Management Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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 the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 was 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 system 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 control with reference to financial statements includes 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 control 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.

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Sd/-

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURFE5449
Mumbai, September 7, 2023

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements section of our report of even date on the financial statements of HSBC Consultancy Services (India) Limited (earlier known as L&T Investment Management Limited) for the year ended March 31, 2023

Annexure to the Auditor's Report referred to in our report of even date:

- i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- iii. (a) According to the information and explanations given to us, the Company has not made investments in or provided any 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, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of

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undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year 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 records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2023, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

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- x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the standalone (remove if there is no consolidation) financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
- xv. 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 with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

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xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 1 Core Investment Company.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

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.

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- xx. According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Sd/-

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 23040852BGURFE5449
Mumbai, September 7, 2023

**HSBC Consultancy Services (India) Limited (formerly known as
L&T Investment Management Limited)
Financial Statements as at Mar 31, 2023**

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Balance Sheet as at Mar 31, 2023

All amounts in crores unless otherwise stated

Particulars		Notes	As at Mar 31, 2023	As at Mar 31, 2022
	ASSETS			
1	Financial assets			
	(a) Cash and cash equivalents	2	7.54	3.32
	(b) Receivables	3		
	(i) Trade receivables		-	18.98
	(c) Investments	4	-	547.85
	(d) Other financial assets	5	85.70	3.53
2	Non-financial assets			
	(a) Current tax assets (net)	6	9.70	15.42
	(b) Property, plant and equipment	7	-	0.43
	(c) Other Intangible assets	7	-	33.78
	(d) Deferred tax assets	8	-	-
	(e) Right to use an asset	9	-	1.40
	(f) Other non-financial assets	10	-	1.85
	Total assets		102.94	626.56
	LIABILITIES AND EQUITY			
1	Financial liabilities			
	(a) Payables	11		
	(i) Trade payables			
	(i) total outstanding dues of creditors to micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	5.12
	(b) Lease liability	12	-	1.63
	(c) Other financial liabilities	13	0.06	39.13
2	Non-financial liabilities			
	(a) Provisions	14	-	3.36
	(b) Other non-financial liabilities	15	-	31.50
	(c) Deferred tax liabilities	16		4.25
3	Equity			
	(a) Equity share capital	17	220.62	251.82
	(b) Other equity	18	(117.74)	289.75
	Total liabilities and equity		102.94	626.56
	Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report attached

For B. K. Khare & Co.

Chartered Accountants

Firm's registration no. 105102W

by the hand of

For and on behalf of

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Sd/-

Aniruddha Joshi

Partner

Membership no. 040852

Sd/-

Kailash Kulkarni

CEO & Director

DIN 07242982

Sd/-

Arun Jain

CFO & Director

DIN 09790672

Sd/-

Sneha Shetty

Company Secretary

ACS 32038

Place : Mumbai

Date : Sept 07, 2023

Place : Mumbai

Date : Sept 07, 2023

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Statement of Profit and Loss for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Particulars		Notes	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
I	Revenue from operations			
	(i) Interest income	19	0.06	12.64
	(ii) Fees and commission Income	20	217.44	359.04
	(iii) Net gain on fair value changes	21	12.05	19.00
	Total revenue from operations		229.55	390.68
II	Other income	22	5.72	2.42
III	Total income (I + II)		235.27	393.10
IV	Expenses			
	(i) Net loss on fair value changes	21	-	-
	(ii) Finance costs	23	0.17	0.38
	(iii) Fees and commission expense	24	(0.02)	(0.59)
	(iv) Employee benefits expenses	25	39.02	83.23
	(v) Depreciation, amortization and impairment	26	32.37	50.18
	(vi) Other expenses	27	61.48	56.57
	Total expenses		133.02	189.77
V	Profit before tax (III-IV)		102.25	203.33
VI	Tax expenses	28		
	Current tax		33.79	57.03
	Deferred tax		(4.25)	(5.08)
	Total tax expense (VI)		29.54	51.95
VII	Profit after tax (V-VI)		72.71	151.38
VIII	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit plans (net)		0.71	(1.00)
	(ii) Income tax relating to Items that will not be reclassified to profit or loss		-	-
	(a) Tax on Remeasurement of defined benefit plans		-	-
	Total other comprehensive income (VIII)		0.71	(1.00)
IX	Total comprehensive income for the period / year (VII+VIII)		73.42	150.38
X	Earnings per equity share : (* not annualised)			
	Basic and Diluted (Rs.) (Face value of Rs. 10 per share)	35	220.62	6.01
Significant Accounting Policies		1		

The accompanying notes form an integral part of the financial statements

As per our report attached

For B. K. Khare & Co.

Chartered Accountants

Firm's registration no. 105102W

by the hand of

For and on behalf of

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Sd/-

Aniruddha Joshi

Partner

Membership no. 040852

Sd/-

Kailash Kulkarni

CEO & Director

DIN 07242982

Sd/-

Arun Jain

CFO & Director

DIN 09790672

Sd/-

Sneha Shetty

Company Secretary

ACS 32038

Place : Mumbai

Date : Sept 07, 2023

Place : Mumbai

Date : Sept 07, 2023

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Statement of Cash Flows for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
A. Cash flow from operating activities		
Profit before tax	102.25	203.33
Adjustments for:		
Interest received on income tax	(1.69)	(2.42)
Depreciation, amortization and impairment	32.37	50.18
Net gain on fair value changes	(12.05)	(19.00)
Interest expense on leases	0.07	0.15
Fixed assets written off	0.99	-
Profit on derecognised lease assets	(0.24)	-
Interest income on loan	-	(12.64)
Provision for compensated absences and gratuity	-	1.57
Operating profit before working capital changes	121.70	221.17
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets-		
Financial assets	(63.19)	3.83
Non financial assets	1.85	(0.65)
Adjustments for increase / (decrease) in operating liabilities-		
Financial liabilities	(44.17)	5.18
Non financial liabilities	(34.45)	14.61
Cash generated from operations	(18.26)	244.14
Net income tax	(83.30)	(27.74)
Net cash generated from operating activities (A)	(101.56)	216.40
B. Cash flow from investing activities		
Purchases of fixed assets	(0.39)	(1.05)
Sale of investment (net)	559.90	29.92
Proceeds from sale of property, plant and equipment (net)	1.51	-
Purchase of non-current investments in shares	-	(3.38)
Interest received	-	12.64
Net cash generated in investing activities (B)	561.02	38.13
C. Cash flow from financing activities		
Principal portion of lease liability	(0.27)	(0.57)
Dividend paid	(122.12)	(251.82)
Interest portion of lease liability	(0.07)	(0.15)
Capital reduction of equity share capital	(390.00)	-
Net cash used in financing activities (C)	(512.46)	(252.54)
Net increase in cash and cash equivalents (A + B + C)	(53.00)	1.99
Opening cash and cash equivalent for the year	3.32	1.33
Closing cash and cash equivalent for the year	(49.67)	3.32
Notes: 1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015. 2. Cash and cash equivalents represent cash and bank balances. 3. Previous year have been regrouped/reclassified wherever necessary to make them comparable with those of current period.		

As per our report attached

For B. K. Khare & Co.

Chartered Accountants

Firm's registration no. 105102W

by the hand of

For and on behalf of

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Sd/-

Aniruddha Joshi

Partner

Membership no. 040852

Sd/-

Kailash Kulkarni

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DIN 07242982

Sd/-

Arun Jain

CFO & Director

DIN 09790672

Sd/-

Sneha Shetty

Company Secretary

ACS 32038

Place : Mumbai

Date : Sept 07, 2023

Place : Mumbai

Date : Sept 07, 2023

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)
Statement of change in Equity as at Mar 31, 2023

a. Equity share capital

Particulars	Number of Shares	Equity share capital in crores
Paid up Capital at Apr 1, 2021	251,824,329	251.82
Changes in equity share capital during the year		
Due to prior period errors	-	-
Restated the balance during the year	-	-
Issue of equity shares	-	-
Balance as at Mar 31, 2022	251,824,329	251.82
Paid up Capital at Apr 1, 2022	251,824,329	251.82
Changes in equity share capital during the year		
Due to prior period errors	-	-
Restated the balance during the year	-	-
Issue of equity shares	-	-
Shares cancelled during the year due to capital reduction	(31,200,000)	(31.20)
Balance at Mar 31, 2023	220,624,329	220.62

b. Other equity

All amounts in crores unless otherwise stated

Particulars	Reserve and surplus				Total
	Securities premium	Retained earnings	Capital reserve	Other comprehensive income	
Balance at Apr 1, 2021	230.11	162.28	-	(1.20)	391.19
Profit for the year	-	151.38	-	-	151.38
Dividend paid	-	(251.82)	-	-	(251.82)
Other comprehensive income for the year	-	-	-	(1.00)	(1.00)
Total comprehensive income for the year	-	(100.44)	-	(1.00)	(101.44)
Balance at Mar 31, 2022	230.11	61.84	-	(2.20)	289.75
Balance at Apr 1, 2022	230.11	61.84	-	(2.20)	289.75
Profit for the period	-	72.71	-	-	72.71
Utilisation on account of capital reduction	(230.11)	-	(128.68)	-	(358.79)
Dividend Paid	-	(122.12)	-	-	(122.12)
Other comprehensive income for the period	-	-	-	0.71	0.71
Total comprehensive income for the period	(230.11)	(49.41)	(128.68)	0.71	(407.49)
Balance at Mar 31, 2023	-	12.43	(128.68)	(1.49)	(117.74)

Sd/-

As per our report attached
For B. K. Khare & Co.
Chartered Accountants
Firm's registration no. 105102W
by the hand of

For and on behalf of
HSBC Consultancy Services (India) Limited
(formerly known as L&T Investment
Management Limited)

Sd/-
Aniruddha Joshi
Partner
Membership no. 040852

Sd/-
Kailash Kulkarni
CEO & Director
DIN 07242982

Sd/-
Arun Jain
CFO & Director
DIN 09790672

Sd/-
Sneha Shetty
Company Secretary
ACS 32038

Place : Mumbai
Date : Sept 07, 2023

Place : Mumbai
Date : Sept 07, 2023

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

Background:

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's principal activity is to act as an investment manager to "L&T Mutual Fund" (the Fund) and to provide portfolio management services ("PMS") to clients under Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 1993. The Company is registered with Securities and Exchange Board of India ("SEBI") under the SEBI (Mutual Funds) Regulations, 1996 (the "SEBI" regulation). The Company manages the investment portfolios of the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated 23rd October, 1996. The Company is having its registered office at L&T House, NM Marg, Ballard Estate, Mumbai 400 001.

The Board at its Meeting held on December 23, 2021 had approved the proposal for change in controlling interest of the Company ("HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)" or "LTIM") pursuant to sale of 100% of the paid-up share capital of the Company to HSBC Asset Management (India) Private Limited ("AMIN"). Accordingly, the Company along with L&T Finance Holdings Limited (its holding company – "LTFH") entered into a definitive agreement ("share transfer agreement") with HSBC Asset Management (India) Private Limited ("HSBC AMC") on December 23, 2021 to sell 100% equity shares of LTIM. This was subject to obtaining necessary regulatory approvals. Necessary approvals from SEBI were obtained in October 2022 and pursuant to the share transfer agreement, LTFH sold 100% paid up share capital of LTIM to HSBC Asset Management (India) Private Limited on November 25th 2022. Consequently, LTIM cease acting as an asset management company .

Note 1 : Summary of Significant Accounting Policies :

(a) Statement of compliance:

These financial statements have been prepared 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. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Also refer note 2(c) below.

(b) Basis of preparation and presentation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.
- ii) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- iii) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

(c) Presentation of financial statements:

The Balance Sheet, the Statement of Profit and Loss and the statement of changes in equity are prepared and presented in the format prescribed in the Division III to the Schedule III to the Companies Act, 2013 ("the Act"). The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Amounts in the financial statements are presented in Indian rupees in Crores rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

(d) Operating cycle for current and non-current classification:

In the absence of the entity's normal operating cycle being clearly identifiable, its duration is assumed to be 12 months.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

(e) Revenue recognition:

Revenue is recognised when there is reasonable certainty of its recovery. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

(i) Investment management fees

Investment management fees are recognised on an accrual basis in accordance with the Investment Management Agreement and SEBI Regulations, based on average assets under management ("AUM") of L&T Mutual Fund schemes, over the period of the agreement in terms of which, services are performed.

(ii) Portfolio management fees

Portfolio management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered into with respective clients over the period of the agreement in terms of which the services are rendered.

Investment management fees and portfolio management fees recognised as aforesaid are exclusive of service tax / Goods & Service Tax (GST).

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iv) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(v) Net gain/loss on sale of investments or fair value change:

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a First in First out basis. Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss.

(f) Share capital

Ordinary equity shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(g) Property, plant and equipment (PPE):

PPE is recognised when 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. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, except

(a) Fixed assets costing less than INR 5,000 are fully depreciated in the year of purchase and

(b) A lower useful life of 4 years has been considered for Vehicles after taking into account the nature of the asset, the estimated usage of the asset, past history of replacement, etc., or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. Assets held under finance leases are depreciated over the shorter of lease term and their useful life on the same basis as owned assets. However, when there is no reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

(h) Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

These generally comprise costs incurred to acquire computer software licenses, implementing the software for internal use (including software coding, installation, testing and certain data conversion), the asset management rights ("AMR") acquired and goodwill on amalgamation. Software licenses are being amortised over their useful lives which is estimated at 3 years. The AMR and goodwill on amalgamation are being amortised on a straight line basis over a period of 10 years and 5 years respectively. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

(i) Impairment of tangible and intangible assets other than goodwill:

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

(j) Employee benefits

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits:

(a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the company, the post-retirement medical care plan and the pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences, long service award etc. is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

(v) Share based payment arrangements:

The holding company (i.e. L&T Finance Holdings Limited) has constituted Employees Stock Options Scheme (the "Scheme"). The Scheme provides that employees are granted an option to subscribe to equity shares of the holding company that vest in a graded manner. The options may be exercised within a specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-Based Payments, issued by ICAI. The holding company follows the fair value method to account for its stock based employee compensation plans. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by them and it is charged to the Statement of Profit and Loss of the Company over the period of vesting.

(k) Ind AS 116 - Leases :

The Company as a lessee, recognises the right-of-use asset and lease liability at the lease commencement date. Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, 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, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation /impairment losses. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is lower. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:

1. Low value leases; and
2. Leases which are short-term.

The Company as a lessor, classifies leases as either operating lease or finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease. Accordingly, the Company recognises lease payments as income on a straight-line basis in case of assets given on operating leases. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

(l) Financial instruments:

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets:

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial liabilities and equity :

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(m) Scheme expenses and commission :

Certain scheme related expenses and commission paid to distributors were being borne by the Company till October 22, 2018. These expenses have been charged in accordance with applicable circulars and guidelines issued by SEBI and Association of Mutual Funds in India (AMFI) and have been presented under the respective expense heads in the Statement of Profit and Loss. Any brokerage or commission paid by the Company in line with the applicable regulations is being amortised over the contractual period.

Pursuant to circulars issued by SEBI in this regard, with effect from October 22, 2018, all of these expenses, subject to certain minor exceptions, are being borne by the respective schemes.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

(n) Taxation :

Current Tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

(o) Provisions, contingent liabilities and contingent assets :

Provisions are recognised only when:

- (i) an entity has a present obligation (legal or constructive) as a result of a past event; and
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- (ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(p) Earning per shares

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of financial statements for the year ended Mar 31,2023

(q) Cash and cash equivalents :

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(r) Statement of cash flow statement :

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement. Those cash and cash equivalents which are not available for general use as on the date of balance sheet are also included under this category with a specific disclosure.

(s) Segment reporting :

The Company identifies its primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The Company's operations predominantly relate to providing investment advisory / management services.

Secondary segment reporting does not require separate disclosure as all activities of the Company are within India. Segment accounting policies are in line with accounting policies of the Company.

(t) Dividend 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 other equity.

(u) Foreign currency transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognised as income or expenses in the Statement of Profit and Loss. Monetary assets and liabilities in foreign currencies as at the balance sheet date are valued at closing-date rates, and unrealised translation differences are included in the Statement of Profit and Loss.

(v) Critical estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires that the management to make estimates and

The areas involving critical estimates or judgements are:

Recognition of deferred tax assets for carried forward tax losses :- The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

(w) Going Concern

The financials are prepared on a going concern basis. Management have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 2 : Cash and cash equivalents

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Cash on hand		
Balances with banks	7.53	0.75
Bank deposit with maturity less than three months	0.01	2.57
Total	7.54	3.32

Note 3 : Receivables

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Trade receivables		
Receivables considered good - Unsecured	-	18.98
Total	-	18.98

Particulars	As at Mar 31, 2023						Total
	Not due	Outstanding for following periods from the due date of payment					
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
-Considered good	-	-	-	-	-	-	-
-Increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Disputed							
-Considered good	-	-	-	-	-	-	-
-Increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Gross trade receivables	-	-	-	-	-	-	-
Less : Allowance for Doubtful debts	-	-	-	-	-	-	-
Total trade receivables (net of allowance for doubtful debts)	-	-	-	-	-	-	-

Particulars	As at Mar 31, 2022						Total
	Not due	Outstanding for following periods from the due date of payment					
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
-Considered good	-	18.98	-	-	-	-	18.98
-Increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Disputed							
-Considered good	-	-	-	-	-	-	-
-Increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Gross trade receivables	-	18.98	-	-	-	-	18.98
Less : Allowance for Doubtful debts	-	-	-	-	-	-	-
Total trade receivables (net of allowance for doubtful debts)	-	18.98	-	-	-	-	18.98

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 4 : Investments

Particulars	Face Value	Balance as at 31st Mar 2023	As at Mar 31, 2022	
		Net carrying value	Quantity	Net carrying value
Mutual Fund - At fair value through profit and loss				
L&T Liquid Fund DP - G	1000	-	1,330,501	387.84
L&T Money Market Fund DP - G	10	-	20,736,473	46.12
L&T Low Duration Fund	1000	-	32,279,499	77.02
L&T Overnight fund	1000	-	26,533	4.40
Total (A)		-	54,373,006	515.38
Equity - At amortised cost				
MF Utilities India Private limited	1	-	500,000	0.05
AMC Repo Clearing Limited	10	-	3,381,396	3.38
Total (B)		-	3,881,396	3.43
Mutual Fund - At fair value through profit and loss				
L&T Arbitrage Opportunity Fund	10	-	500,000	0.81
L&T Business Cycle Fund	10	-	500,000	1.21
L&T Resurgent India Corporate Bond Fund	10	-	500,000	0.88
L&T Liquid Fund DP - G	1000	-	2,585	0.75
L&T Overnight fund-DP-G	1000	-	4,375	0.73
L&T Flexi Cap Fund - DP - G	10	-	79,561	1.00
L&T Balanced Advantage fund-DP-G	10	-	235,213	0.80
L&T India Large Cap Fund - DP - G	10	-	243,072	1.05
L&T Hybrid Equity Fund - DP - G	10	-	255,493	1.03
L&T Large and Midcap Fund - DP - G	10	-	140,359	1.06
L&T India Value Fund - DP - G	10	-	383,794	2.39
L&T Infrastructure Fund - DP - G	10	-	694,601	1.78
L&T Midcap Fund - DP - G	10	-	58,207	1.29
L&T Tax Advantage Fund - DP - G	10	-	132,721	1.12
L&T Flexi Bond Fund - DP - G	10	-	331,794	0.84
L&T Money market Fund - DP - G	10	-	365,789	0.81
L&T Gilt Fund - DP - G	10	-	142,010	0.85
L&T Credit Risk Fund - DP - G	10	-	317,088	0.79
L&T Banking and PSU Debt Fund - DP - G	10	-	344,758	0.72
L&T Equity Savings Fund - DP - G	10	-	276,932	0.69
L&T Conservative Hybrid Fund - DP - G	10	-	178,522	0.83
L&T Low Duration Fund - DP - G	10	-	340,894	0.81
L&T Short Term Bond Fund - DP - G	10	-	367,947	0.83
L&T Triple Ace Bond Fund - DP - G	10	-	135,208	0.85
L&T Ultra Short Term Fund - DP - G	10	-	217,696	0.79
L&T Focused Equity Fund DG	10	-	500,000	0.81
L&T Emerging Business Fund - DP - G	10	-	332,358	1.61
L&T Nifty 50 Index Fund	10	-	500,000	0.99
L&T Nifty Next 50 Index Fund	10	-	500,000	0.90
Total (C)		-	8,580,979	29.04
Grand Total (A+B+C)		-		547.85

Note 5 : Other financial assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Deposit paid	-	3.26
Advances	-	-
Other receivables	0.08	0.06
Receivable from related parties	85.62	0.21
Total	85.70	3.53

Note 6 : Current tax assets (net)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Advance tax and TDS (net of provision)	9.70	15.42
Total	9.70	15.42

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 7 : Property, plant and equipment
Tangible assets :

Particulars	Gross Block				Depreciation for the year ended				Net Block	
	As at Apr 01, 2022	Additions	Deductions	As at Mar 31, 2023	As at Apr 01, 2022	For the year	Deductions	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Leasehold improvements	0.18	-	0.10	0.08	0.15	0.01	0.08	0.08	-	0.03
Computers	0.71	0.01	0.34	0.38	0.44	0.05	0.29	0.20	-	0.27
Furniture and fittings	0.08	0.01	0.08	0.01	0.06	-	0.05	0.01	-	0.02
Office equipment	0.22	0.07	0.17	0.12	0.11	0.01	0.11	0.01	-	0.11
Total Rs.	1.19	0.09	0.69	0.59	0.76	0.07	0.53	0.30	-	0.43

Intangible assets :

Particulars	Gross Block				Depreciation for the year ended				Net Block	
	As at Apr 01, 2022	Additions	Deductions	As at Mar 31, 2023	As at Apr 01, 2022	For the year	Deductions	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Specialised softwares	11.42	0.30	7.49	4.23	9.22	0.44	6.62	3.04	-	2.20
Asset management rights	486.55	-	-	486.55	454.97	31.58	-	486.55	-	31.58
Total Rs.	497.97	0.30	7.49	490.78	464.19	32.02	6.62	489.59	-	33.78

Previous year:
Tangible assets :

Particulars	Gross Block				Depreciation				Net Block	
	As at Apr 01, 2021	Additions	Deductions	As at Mar 31, 2022	As at Apr 01, 2021	For the year	Deductions	As at Mar 31, 2022	As at Mar 31, 2022	As at Mar 31, 2021
Leasehold improvements	0.18	-	-	0.18	0.14	0.01	-	0.15	0.03	0.04
Computers	0.98	0.01	0.28	0.71	0.50	0.16	0.22	0.44	0.27	0.48
Furniture and fittings	0.08	-	-	0.08	0.05	0.01	-	0.06	0.02	0.03
Office equipment	0.21	0.04	0.03	0.22	0.10	0.02	0.01	0.11	0.11	0.11
	1.45	0.05	0.30	1.19	0.79	0.20	0.23	0.76	0.43	0.66

Intangible assets :

Particulars	Gross Block				Depreciation				Net Block	
	As at Apr 01, 2021	Additions	Deductions	As at Mar 31, 2022	As at Apr 01, 2021	For the year	Deductions	As at Mar 31, 2022	As at Mar 31, 2022	As at Mar 31, 2021
Specialised softwares	10.25	1.18	0.01	11.42	8.36	0.87	0.01	9.22	2.20	1.89
Asset management rights	486.55	-	-	486.55	406.34	48.63	-	454.97	31.58	80.21
	496.80	1.18	0.01	497.97	414.70	49.51	0.01	464.19	33.78	82.10

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 8 : Deferred tax assets (net)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Deferred tax assets	-	-
Total	-	-

Note 9 : Right to use an asset

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
A. Gross carrying amount		
Opening gross carrying amount	4.01	3.71
Add: additions during the year	-	0.32
Less : deductions during the year	4.01	0.02
Closing gross carrying amount (A)	-	4.01
B. Accumulated depreciation		
Opening accumulated depreciation	2.61	2.13
Add: Depreciation	0.28	0.48
Less : Deductions during the year	(2.89)	-
Closing accumulated depreciation (B)	-	2.61
Net carrying amount (A) - (B)	-	1.40

Note 10 : Other non-financial assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Prepaid expenses	-	1.78
Advances to suppliers	-	0.05
Advances to employees	-	0.02
Total	-	1.85

Note 11 : Payables

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Trade payables	-	4.16
Due to related parties (Refer Note 31)	-	0.96
Total	-	5.12

Particulars	As at Mar 31, 2023						Total
	Unbilled dues	Bill raised but not due	Outstanding for following periods from the due date of payment				
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
-MSME	-	-	-	-	-	-	-
-Others	-	-	-	-	-	-	-
Disputed							
-MSME	-	-	-	-	-	-	-
-Others	-	-	-	-	-	-	-
Total trade payable	-	-	-	-	-	-	-

Particulars	As at Mar 31, 2022						Total
	Unbilled dues	Bill raised but not due	Outstanding for following periods from the due date of payment				
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed							
-MSME	-	-	-	-	-	-	-
-Others	3.62	-	1.50	-	-	-	5.12
Disputed							
-MSME	-	-	-	-	-	-	-
-Others	-	-	-	-	-	-	-
Total trade payable	3.62	-	1.50	-	-	-	5.12

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the condensed financial statements

All amounts in crores unless otherwise stated

Note 12 : Lease liability

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Lease liability #	-	1.63
Total	-	1.63

There are no lease agreements that qualify the requirement of Ind AS 116 as at the period end.

Note 13 : Other financial liabilities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Employee benefits payable	-	39.13
Other Payables	0.06	-
Total	0.06	39.13

Note 14 : Provisions

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Provision for employee benefits		
Compensated absences	-	1.60
Gratuity (Refer note 30)	-	1.76
Total	-	3.36

Note 15 : Other non-financial liabilities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Statutory liabilities	-	31.50
Total	-	31.50

Note 16 : Deferred tax liabilities (net)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Deferred tax liabilities	-	4.25
Total	-	4.25

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)
Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 18 : Other equity

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Retained earnings (Refer note 18.1)	12.43	61.84
Securities premium (Refer note 18.2)	-	230.11
Capital reserve (Refer note 18.3)	(128.68)	-
Other comprehensive income (Refer note 18.4)	(1.49)	(2.20)
Total	(117.74)	289.75

Note 18.1 : Retained earnings

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance at beginning of year	61.84	162.28
Profit for the year	72.71	151.38
Dividend paid during the year	(122.12)	(251.82)
Balance at the end of the year	12.43	61.84

Retained earnings represent the amount of accumulated earnings of the Company.

Note 18.2 : Securities premium

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance at beginning of year	230.11	230.11
Deletion during the year	(230.11)	-
Balance at end of the year	-	230.11

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Note 18.3 : Capital reserve

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance at beginning of year	-	-
Deletion during the year	(128.68)	-
Balance at the end of the year	(128.68)	-

Capital reserve is recognised on account of capital reduction pursuant to the NCLT Order (Refer note 17).

Note 18.4 : Other comprehensive income

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance at beginning of year	(2.20)	(1.20)
Remeasurement of defined benefit plans	0.71	(1.00)
Balance at the end of the year	(1.49)	(2.20)

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 17 : Equity share capital

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Equity share capital	220.62	251.82
Total	220.62	251.82

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Authorised				
Equity shares of ₹ 10 each with voting rights	551,257,920	551.26	551,257,920	551.26
Compulsory convertible preference shares of ₹ 100 each	3,300,000	33.00	3,300,000	33.00
Non-convertible preference shares of ₹ 100 each	22,000,000	220.00	22,000,000	220.00
Non-convertible preference shares of ₹ 10 each	650,000,000	650.00	650,000,000	650.00
	1,226,557,920	1,454.26	1,226,557,920	1,454.26
Issued:				
Equity shares of ₹ 10 each fully paid	220,624,329	220.62	251,824,329	251.82
	220,624,329	220.62	251,824,329	251.82
Subscribed and Paid up				
Equity shares of ₹ 10 each fully paid	220,624,329	220.62	251,824,329	251.82
	220,624,329	220.62	251,824,329	251.82

Note:

1) 59,460,861 Equity shares of INR 10 each which were issued but not subscribed /allotted were cancelled with effect from September 25, 2017.

2) Reduction of 3,12,00,000 fully paid up equity shares of INR 10 each pursuant to the order of NCLT, Mumbai Bench dated July 08, 2022 ("NCLT Order") sanctioning the capital reduction scheme and letter of Registrar of Companies dated August 18, 2022 approving Form INC-28.

(b) Reconciliation of the number of equity shares and share capital:

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Equity shares at the beginning of the year	251,824,329	251.82	251,824,329	251.82
Add: Shares issued during the period / year	-	-	-	-
Less: Shares cancelled during the period due to capital reduction	(31,200,000)	(31.20)	-	-
Equity shares at the end of the period / year	220,624,329	220.62	251,824,329	251.82

(c) Shares held by holding company (including its nominee):

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
Equity Shares of ₹10/- each fully paid	220,624,329	220.62	251,824,329	251.82

220,624,329 equity shares (251,824,329 as at March 31, 2022) are held by the holding company, including 7 equity shares (7 as at March 31, 2022) held by nominees of the holding company where the beneficial ownership is with the holding company.

(d) Details of shareholders holding more than five percent equity shares in the company are as under:

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
HSBC Asset Management India Private Limited	220,624,329	100.00	251,824,329	100.00

220,624,329 equity shares (251,824,329 as at Mar 31, 2022) are held by the holding company, including 7 equity shares (7 as at Mar 31, 2022) held by nominees of the holding company where the beneficial ownership is with the holding company.

(e) Shares held by Promoters :

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares	₹ in crore	No. of Shares	₹ in crore
HSBC Asset Management India Private Limited (Equity Shares of ₹10/- each fully paid)	220,624,329	220.62	251,824,329	251.82

(f) Terms / Rights Attached to Equity shares:

The company has issued only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation,

the company shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

(g) During the period ended November 25, 2022, the Company has paid the interim dividend of ₹ 5.04 (Previous year ₹ 10) per equity share amounting to ₹ 122.12 crores (Previous year ₹ 251.82 crores).

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

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Note 19 : Interest income

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Interest on loans	-	12.53
Interest on fixed deposits	0.06	0.11
Total	0.06	12.64

Note 20 : Fees and commission income

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Management fees	217.44	359.04
Total	217.44	359.04

Note 21 : Net gain on fair value changes

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
(A) Net gain on financial instruments at fair value through profit or loss:		
(i) On trading portfolio		
- Investments	8.71	15.22
	8.71	15.22
(ii) On non-trading portfolio		
- Investments	3.34	3.78
	3.34	3.78
Total (A) = (i + ii)	12.05	19.00
(B) Fair value changes:		
- Realised	21.83	5.50
- Unrealised	(9.78)	13.50
Total (B)	12.05	19.00

Note 22 : Other income

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Interest received on income tax refund	1.69	2.42
Profit on derecognised of lease	0.24	-
Other Recovery	0.08	
Gain on account of BTA (Refer Note 22(a))	3.71	
Total	5.72	2.42

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Notes forming part of the financial statements for the year ended Mar 31, 2023

Note 22(a) - Business Transfer Agreement

The Board at its Meeting held on December 23, 2021 had approved the proposal for change in controlling interest of the Company ("HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)" or "LTIM") pursuant to sale of 100% of the paid-up share capital of the Company to HSBC Asset Management (India) Private Limited ("AMIN"). Accordingly, the Company along with L&T Finance Holdings Limited (its holding company – "LTFH") entered into a definitive agreement ("share transfer agreement") with HSBC Asset Management (India) Private Limited ("HSBC AMC") on December 23, 2021 to sell 100% equity shares of LTIM. This was subject to obtaining necessary regulatory approvals.

Necessary approvals from SEBI were obtained in October 2022 and pursuant to the share transfer agreement, LTFH sold 100% paid up share capital of LTIM to HSBC Asset Management (India) Private Limited on November 25th 2022. Consequently, LTIM became a 100% subsidiary of AMIN. As a part of its approval, SEBI required LTIM to immediately cease acting as an asset management company and surrender its approval to act as an asset management company.

Immediately upon payment of consideration by AMIN and transfer of shares of LTIM by LTFH to AMIN, the boards of both LTIM and AMIN approved the corporate merger of two entities. Meanwhile, while the merger application was pending with NCLT, in order to comply with Regulation 7B of SEBI (MF) Regulations ("single presence rule for shareholder group"), LTIM had sold and AMIN had purchased the business [by entering into a Business Transfer Agreement ("BTA") dated 25th November 2022] as a going concern and 'as is where is' basis for a lumpsum consideration of INR 87 crores (Rupees Eighty Seven Crores) without values being individually ascribed to the individual components of the business. The gain or loss on this transaction has been recorded in the Profit or loss statement for the current period.

Honorable National Company Law Tribunal ("NCLT") heard the merger application on 24th Aug 2023 and reserved the matter for pronouncement of order.

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Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 23 : Finance costs

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Interest cost - gratuity	0.06	0.18
Interest cost - compensated absences	0.04	0.05
Interest cost - leases	0.07	0.15
Total	0.17	0.38

Note 24 : Fees and commission expense

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Mutual fund scheme and distribution expenses	(0.02)	(0.59)
Total	(0.02)	(0.59)

Note 25 : Employee benefits expenses

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Salaries and wages	35.29	69.76
Contribution to provident and other funds	2.14	3.03
Gratuity	0.59	0.76
Employee stock option plan	(0.92)	6.31
Staff welfare expenses	1.92	3.37
Total	39.02	83.23

Note 26 : Depreciation, amortization and impairment

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Depreciation on property, plant and equipment (Refer note : 7)	0.07	0.20
Depreciation - Right of use asset (Refer note : 9)	0.28	0.48
Amortization - Asset management rights and softwares (Refer note : 7)	32.02	49.50
Total	32.37	50.18

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 27 : Other expenses

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Rent	4.78	8.89
Rates and taxes	0.05	0.31
Repairs and maintenance	5.50	6.89
Communication expenses	0.98	0.39
Printing and stationery	0.03	0.02
Advertisement and publicity	4.43	6.75
Director's fees, allowances and expenses	0.16	0.16
Auditor's remuneration		
Statutory Audit fees	0.26	0.18
Other	0.02	-
Limited review fees	0.06	0.09
Certification fees	0.01	0.02
Tax audit fees	0.02	0.03
Legal and professional charges	6.49	5.76
Insurance	0.12	0.09
Electricity charges	0.05	0.05
Filing fees	0.87	0.81
Outsource service charges	3.51	4.96
Membership and subscription	0.87	1.34
Donation	-	-
Management fees	24.98	14.24
Loss on sale of assets	-	-
Travelling and conveyance	1.05	0.56
Corporate social responsibility expenses	3.83	3.16
Brand license fee	0.18	0.94
Stamping charges	0.08	0.13
Bank Charges	0.00	-
Internal Audit fee	0.00	-
Miscellaneous expenses \$	3.15	0.80
Total	61.48	56.57

\$ includes provision of ₹ 2 crore for SEBI related settlement proceedings

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

27(b) Contribution for corporate social responsibility (CSR)

All amounts in crores unless otherwise stated

- i) Gross amount required to be spent by the company during the year. Rs. 3.83
 ii) Amount approved by the Board to be spent during the year : Rs. 3.83 Cr.
 III) L &T Investment Management Limited has proposed to provide donation to Digital Sakhi of Rs. 2.51 Cr. As per guidance received from LTIM CSR Team (1-Apr-2022 to 25- Nov-2022)
 iv) L &T Investment Management Limited has proposed to provide donation to Sri Shankara Cancer Foudation which is non profit organisation on the basis guidance from CSR team of HSBC, India. Towards this end. INR 1.32 Cr., would be utilized for cancer treatment (radiotherapy).(26-Nov-2022 to 31-3-2023)

Disclosures in relation to corporate social responsibility expenditure:

Details of CSR Expenditure	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
i) Amount of expenditure incurred		
Contribution to Digital Sakhi	2.51	3.16
Contribution to Sri Shankara Cancer Foudation	1.32	
Contribution to Other Initiatives	-	-
ii) Amount of cumulative shortfall at the end of the year		
iii) Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-
Total	3.83	3.16

Details of excess CSR expenditure under Section 135(5) of the Act:

Balance excess spent as at Apr 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at Mar 31, 2023
-	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

Balance unspent as at Apr 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at Mar 31, 2023
-	-	3.83	3.83	-

Note 28 : Tax expense

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
Current tax	33.79	57.03
Deferred tax	(4.25)	(5.08)
Total	29.54	51.95

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 29 : Deferred tax balances

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

Sr. No.	Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a)	Statement of Profit and Loss:		
	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	33.79	57.03
		33.79	57.03
	(ii) Deferred Tax:		
	Effect of recognition of deferred tax asset on unused tax losses to the extent of deferred tax liability on temporary differences		-
	Tax expense on origination and reversal of temporary differences	(4.25)	(5.08)
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	29.54	51.95

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

Sr. No.	Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a)	Profit before tax	102.25	203.33
(b)	Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c)	Tax on accounting profit	25.73	51.17
(d)	(i) Tax on expense not tax deductible :		
	Corporate social responsibility (CSR) expenses not deductible, etc.	0.94	0.78
(e)	Capital loss on Slump sale	(0.93)	
(f)	DTA no longer required on Fixed Assets & Investments in Mutulal Fund	3.80	
(g)	Tax expense recognised during the year	29.54	51.95
(h)	Effective tax Rate (f)=(e)/(a)	28.89%	25.55%

(c) Major components of Deferred Tax Liabilities and Deferred Tax Assets:

Particulars	Deferred tax liabilities/ (assets) as at Apr 01, 2022	Charge/(credit) to Statement of Profit and Loss	Deferred tax liabilities/ (assets) as at Mar 31, 2023
Deferred tax liabilities:			
-Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	(1.35)	(6.81)	(8.16)
-Fair value of investments (routed through FVTPL)	6.83	(2.47)	4.36
Deferred tax liabilities:	5.48	(9.28)	(3.80)
Deferred tax (assets):			
-Rent on leased asset	(0.08)	0.08	-
-Capital loss on Slump sale	-	-	-
-DTA no longer required on Fixed Assets & INVESTMENTS in Mutulal Fund	-	-	3.80
-Defined benefit obligation (Gratuity u/s 40A(7) and Leave encashment u/s 43B)	(0.85)	0.85	-
- Provision for Expenses u/s 40(a)(ia)	(0.30)	0.30	-
Deferred tax (assets):	(1.23)	1.23	3.80
Net deferred tax liability/(assets)	4.25	(8.05)	-

Particulars	Deferred tax liabilities/ (assets) as at Apr 01, 2021	Charge/(credit) to Statement of Profit and Loss	Deferred tax liabilities/ (assets) as at Mar 31, 2022
Deferred tax liabilities:			
-Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	8.02	(9.37)	(1.35)
-Fair value of investments (routed through FVTPL)	3.43	3.40	6.83
Deferred tax liabilities:	11.45	(5.97)	5.48
Deferred tax (assets):			
-Carried forward tax losses	-	-	-
-Rent on leased asset	(0.06)	(0.02)	(0.08)
-Defined benefit obligation (Gratuity u/s 40A(7) and Leave encashment u/s 43B)	(1.23)	0.38	(0.85)
-Provision for Expenses u/s 40(a)(ia)	(0.59)	0.29	(0.30)
-Other items giving rise to temporary differences	(0.24)	0.24	-
Deferred tax (assets):	(2.12)	0.89	(1.23)
Net deferred tax liability/(assets)	9.33	(5.08)	4.25

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Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 30 : Disclosure pursuant to Ind AS 19 "Employee Benefits"
(i) Defined Contribution plans :

The Company recognise charges of ₹ 1.57 crore (previous year ₹ 1.74 crore) for provident fund contribution is included in Note 25 - "Employees Benefits Expenses" in the Statement of Profit and Loss.

(ii) Defined benefits Gratuity Plan

(a) The amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity Plan	
	As at Mar 31, 2023	As at Mar 31, 2022
A) Present Value of Defined Benefit Obligation		
- Wholly funded	7.32	7.09
- Wholly unfunded	-	-
	7.32	7.09
Less : Fair Value of plan assets	(7.62)	(5.33)
Add : Amount not recognised as an asset	-	-
Amount to be recognised as liability or (asset)	(0.30)	1.76
B) Amounts reflected in Balance Sheet		
Liabilities	-	1.76
Assets	0.30	-
Net liability/(asset)	0.30	1.76
Net liability/(asset) - current	-	0.44
Net liability/(asset) - non-current	0.30	1.32

(b) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	Gratuity Plan	
	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
1 Current Service Cost	0.59	0.76
2 Interest Cost	0.25	0.27
3 Interest Income on Plan Assets	(0.19)	(0.09)
4 Actuarial losses/(gains) - others	(0.71)	1.00
5 Actuarial losses/(gains) - difference between actuarial return on plan assets	-	-
6 Past Service Cost	-	-
7 Actuarial gain/(loss) not recognised in Books	-	-
8 Translation adjustments	-	-
9 Amount capitalised out of the above/ recovered from S&A	-	-
Total (1 to 5)	(0.06)	1.94
i Amount included in "employee benefits expenses"	0.59	0.76
ii Amount included in as part of "finance cost"	0.06	0.18
iii Amount included as part of "Other Comprehensive income"	(0.71)	1.00
Total (i + ii + iii)	(0.06)	1.94

* Amount less than Rs. 1 Lakhs

(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

Particulars	Gratuity Plan	
	As at Mar 31, 2023	As at Mar 31, 2022
Opening balance of the present value of defined benefit obligation	7.09	5.24
Add : Current Service Cost	0.59	0.76
Add : Interest Cost	0.25	0.27
Add : Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in financial assumptions	(0.37)	(0.14)
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	0.15	1.21
Less : Benefits paid	(0.14)	(0.09)
Add : Past service cost	-	-
Add : Liability assumed/(settled)	(0.25)	(0.16)
Add/(less) : Translation adjustments	-	-
Closing balance of the present value of defined benefit obligation	7.32	7.09

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the condensed financial statements

All amounts in crores unless otherwise stated

Note 30 : Disclosure pursuant to Ind AS 19 "Employee Benefits"

- (d)
- Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows**

Particulars	Gratuity Plan	
	As at Mar 31, 2023	As at Mar 31, 2022
Opening balance of the fair value of the plan assets	5.33	1.71
Add : interest income of plan assets	0.19	0.09
Add/(less) : Actuarial gains/(losses) (Difference between actual return on plan assets & interest income)	0.49	0.07
Add : Contribution by the employer	1.75	3.55
Add/(less) : Contribution by plan participants	-	-
Less : Benefits paid	(0.14)	(0.09)
Closing balance of plan assets	7.62	5.33

- (e)
- The fair value of major categories of plan assets are as follows:**

Particulars	Gratuity Plan	
	As at Mar 31, 2023	As at Mar 31, 2022
1 Government of India Securities	-	-
2 Corporate Bonds	-	-
3 Special Deposit Scheme	-	-
4 Insurer Managed Funds (Unquoted)	7.62	5.33
5 Others	-	-

- (f)
- Principal actuarial assumptions at the valuation date:**

Particulars	Gratuity Plan	
	As at Mar 31, 2023	As at Mar 31, 2022
1 Discount rate (per annum)	7.30%	6.05%
2 Salary escalation rate (per annum)	9.00%	9.00%

- (A)
- Discount rate:**

Discount rate based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the

- (B)
- Salary escalation rate:**

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

- (g)
- Attrition Rate:**

The attrition rate varies from 22% to 26% (previous year: 22% to 26%) for various age groups.

- (h)
- Mortality:**

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

- (i) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- (j)
- Sensitivity Analysis**

One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation:

Particulars	Gratuity Plan			
	Effect of 1% increase		Effect of 1% decrease	
	2022-23	2021-22	2022-23	2021-22
1 Discount rate (per annum)	(0.28)	(0.29)	0.30	0.32
2 Salary escalation rate (per annum)	0.29	0.30	(0.27)	(0.29)

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

Note 31 : Related Party Disclosures: Ind AS -24 "Related Party Transaction" (From Apr 01, 2022 to Nov 25, 2022)**(a) List of Related Parties (with whom transactions were carried out during current period / previous year)**

- 1 Ultimate Holding Company**
Larsen & Toubro Limited
- 2 Holding Company**
L&T Finance Holdings Limited
- 3 Fellow Subsidiary Companies**
L&T Finance Limited
Larsen & Toubro Infotech Limited
L&T Financial Consultants Limited
- 4 Key Management Personnel**
Mr. Kailesh Kulkarni (Chief Executive Officer)
Mr. M.V Nair (Independent Director)
Ms. Anisha Motwani (independent Director)

(b) Disclosure of related party transactions :-

All amounts in crores unless otherwise stated

S. No	Nature of Transaction*	From Apr 01, 2022 to Nov 25, 2022	2021-22
1	Inter corporate deposits given L&T Finance Limited	-	451.29
2	Inter corporate deposits received back L&T Finance Limited	-	451.29
3	Interest received on inter corporate deposits given L&T Finance Limited	-	12.53
4	Brand license fees to Larsen & Toubro Limited	0.18	0.94
5	Corporate support charges/Management fees to L&T Finance Holdings Limited L&T Finance Limited	0.38 22.20	0.73 13.51
6	Rent expense (net) paid to L&T Finance Limited L&T Financial Consultants Limited	1.46 3.26	2.72 6.19
7	Professional fees expense to Larsen & Toubro Limited Larsen & Toubro Infotech Limited	0.07 0.06	0.08 0.08
8	Expense on employee stock option plan to L&T Finance Holdings Limited	(0.92)	6.31
9	Repairs and maintenance to L&T Financial Consultants Limited	0.83	1.55
10	Security deposit paid / (received) L&T Financial Consultants Limited	(3.05)	0.30
11	Dividend paid to L&T Finance Holdings Limited	122.12	251.82

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

Note 31 : Related Party Disclosures: Ind AS -24 "Related Party Transaction" (From Apr 01, 2022 to Nov 25, 2022)**12 Compensation paid to Key Management Personnel :**

Name of Key Management Personnel		For the period Apr 1, 2022 to Nov 25, 2022		2021-22	
		Short-Term employee benefits	Other Long - Term employee benefits	Short-Term employee benefits	Other Long -Term employee benefits
1	Mr. Kailash Kulkarni **	5.82	-	3.59	-
2	Mr. M.V Nair	0.08	-	0.08	-
3	Ms. Anisha Motwani	0.07	-	0.08	-

(c) Amount due to/from Related Parties:

All amounts in crores unless otherwise stated

S. No	Nature of transactions	As at Nov 25, 2022	As at Mar 31, 2022
1	Accounts payable		
	L&T Finance Limited	-	0.01
	Larsen & Toubro Infotech Limited	-	0.01
2	Accounts receivable		
	Larsen & Toubro Limited	-	0.20
	L&T Financial Consultants Limited	-	0.01
3	Rent deposit receivable from		
	L&T Financial Consultants Limited	-	3.05
4	Brand license fees payable		
	Larsen & Toubro Limited	-	0.94

Note 31(a) : Related Party Disclosures: Ind AS -24 "Related Party Transaction"(From Nov 26,2022 to Mar 31,2023)**(a) List of Related Parties (with whom transactions were carried out during current period / previous year)**

- 1 **Related Party**
HSBC Assets Management India Private Limited
- 2 **Key Management Personnel**
Sneha Shetty(Company Secretary)

(b) Disclosure of related party transactions :-

All amounts in crores unless otherwise stated

S. No	Nature of Transaction*	From 26 Nov,2022 to 31 Mar,2023	2021-22
1	Transaction with Related Party executed through BTA HSBC Assets Management India Private Limited	87.00	-

(a) Amount due to/from Related Parties:

All amounts in crores unless otherwise stated

S. No	Nature of transactions	As at Mar 31, 2023	As at Mar 31, 2022
1	Accounts receivable HSBC Assets Management India Private Limited	85.6	-

** Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial

*** Amount less than Rs. 1 Lakhs

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

Note 32 : Fair value measurements

All amounts in crores unless otherwise stated

Financial instruments by category

Particulars	As at Mar 31, 2023			As at Mar 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	-	-	-	-	3.43
- Mutual funds	-	-	-	544.42	-	-
Trade receivables	-	-	-	-	-	18.98
Cash and cash equivalents	-	-	7.54	-	-	3.32
Other financial assets	-	-	-	-	-	3.53
Total financial assets	-	-	7.54	544.42	-	29.26
Financial liabilities						
Trade payables						
(i) total outstanding dues of creditors to micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	5.12
Lease liability	-	-	-	-	-	1.63
Other Financial Liabilities	-	-	-	-	-	39.13
Total financial liabilities	-	-	-	-	-	45.88

Items of income, expense, gains or losses

Particulars	As at Mar 31, 2023			As at Mar 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Net gain/ (losses) on financial assets and financial liabilities						
Net gain on fair value changes	12.05	-	-	19.00	-	-
Interest income	-	-	-	-	-	12.64
Interest expenses	-	-	0.07	-	-	0.15

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Level 1	Level 2	Level 3	Total
As at Mar 31, 2023					
Financial assets					
<i>Financial Investments at FVTPL</i>					
Mutual funds	4	-	-	-	-
Total financial assets		-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
As at Mar 31, 2022					
Financial assets					
<i>Financial Investments at FVTPL</i>					
Mutual funds	4	544.42	-	-	544.42
Total financial assets		544.42	-	-	544.42

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the period / year.

(ii) Valuation processes:

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

Notes forming part of the financial statements for the year ended Mar 31, 2023

All amounts in crores unless otherwise stated

Note 33 : Additional disclosure:

S. No	Particulars	As at Mar 31, 2023	As at Mar 31, 2022
1	Contingent liabilities:		
	Claim against the Company not acknowledge as debt: Sales tax / VAT / Service tax matter in dispute #	4.22	4.22
2	Capital commitments:	-	-
3	Pending litigation:	-	-
4	Derivative contracts:	-	-
5	Investor education and protection fund	-	-

In respect of disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

Note 34 : Segment reporting:

The Board of directors are the Company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the chief operating decision-maker for the purposes of allocating resources and assessing performance.

The Company's business segment is providing Asset Management Services to L&T Mutual Fund and it has no other primary reportable segments. There is no distinguishable component of the Company engaged in providing services in a different economic environment. The Company renders services in one geographical segment and has no offices outside India. Hence there are no reportable geographical segments.

Note 35 : Earnings Per Share

S. No	Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
1	Profit available to equity shareholders (A)		
	Profit after tax (₹ in crore)	72.71	151.38
2	Weighted average number of equity shares		
	Number of shares at the beginning of the year (No.)	251,824,329	251,824,329
	Shares issued / (cancelled) during the period / year (Nos.)	(31,200,000)	-
	Total number of equity shares outstanding at the end of the period / year (No.)	220,624,329	251,824,329
3	Weighted average number of equity shares (No.) (B)	232,505,973	251,824,329
	Nominal value of equity shares	10.00	10.00
4	Basic and Diluted earnings per share [(A)/(B)]	3.13	6.01

Note 36 : These financial statements include condensed balance sheet as at November 25, 2022 and the condensed statement of profit & loss including other comprehensive income from April 1, 2022 to November 25, 2022 pursuant to the transfer agreement dated December 23, 2021 ('the share purchase agreement') entered between L&T Finance Holdings Limited and HSBC Asset Management (India) Private Limited and, November 25, 2022 being the cut-off date. Accordingly, the financial position and amounts pertaining to the statement of profit & loss including other comprehensive income and notes thereto are not comparable with those of the previous year.

Previous year figures have been regrouped / reclassified wherever necessary to make them comparable with current year figures.

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)
Notes to the financial statements for the year ended Mar 31, 2023

Note - 37 : Additional Regulatory Information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The company does not have any borrowings from banks and financial institutions and hence the quarterly returns or statements of current assets filing with the banks and financial institutions is not applicable.

(iii) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

(iv) Relationship with struck off Companies

The Company has no transactions with the companies struck off under the Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of Borrowed funds and Share premium

a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a. 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 b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a. 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 b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that is required to be recorded in the books of account.

(ix) Details of crypto currency of virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of Property Plant and Equipment, Intangible Assets

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

(xi) Title deeds of immovable properties not held in name of the company

The company does not have immovable properties hence this clause is not applicable

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are required to be registered with the Registrar of Companies.

(xiii) Analytical Ratios

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% Variance	Remarks
Net profit Ratio (%)	Net profit after tax	Revenue from operations	32%	39%	-18%	
Return on equity (%)	Profit for the year (after tax)	Average total equity	23%	26%	-12%	
Return on Assets (%)	Profit for the year (after tax)	Average total assets	20%	26%	-22%	
Return on capital employed (%)	Profit before tax and finance cost	Capital employed = Net worth = Total Equity	100%	38%	165%	Company has optimizely used the Networth to earn return for Investors compare to previous year
Return on Investment (%)	Income generated from invested funds	Average invested funds in investments	4%	3%	28%	Nominal increased because of better fund management
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	2419%	2182%	11%	
Trade payables turnover ratio (in times)	Other expenses less depreciation	Average trade payables	2402%	769%	212%	Movement is due to decrease in average Trade Payable in pursuant to Business Transfer arrangement
Capital Risk Adequacy ratio*	Tier I Capital+Tier II Capital	Risk of Weightage Assets	-	-	-	
Liquidity Coverage ratio*	High quality liquid asset	Total net cash outflows over next 30 days	-	-	-	

*Note: Since the company is not in lending business. Hence the ratios are not applicable.