Independent Auditor's Report

To the Members of HSBC Asset Management (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of HSBC Asset Management (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income comprising of profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 40 which describes the matter in relation to the Company's compliance with respect to the minimum net worth requirements stipulated in SEBI (Mutual Fund) Regulations, 1996 and in respect of which the Company has made submissions to SEBI including appropriate mitigation measures to be taken by the Company, if requested by SEBI, to meet the minimum net worth requirements vide its letter dated September 20, 2023 (which has been taken on record by SEBI on September 26, 2023). Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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Responsibilities of management and those charged with governance for the financial statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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.

Auditor's responsibilities for the audit of the financial statements

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

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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

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Chartered Accountants
FRN 012754N/N500016
Mumbai

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

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

10. 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.

Report on other legal and regulatory requirements

11. 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, we give in the "Annexure B" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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;

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

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iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 persons or entities, 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 (Refer Note 41 (vii) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, 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 (Refer Note 41 (vii) to the financial statements); 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 Company has not declared or paid any dividend during the year. Accordingly, reporting under Section 123 of the Act is not applicable to the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, 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 (as amended), is currently not applicable.

13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Ketan Asher
Partner
Membership Number: 113522

UDIN: 23113522BGYCWY7190

Place: Mumbai
Date: September 27, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of HSBC Asset Management (India) Private 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

2. 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 ("the Guidance Note") 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.

4. 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.

5. 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

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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)

Price Waterhouse Chartered Accountants LLP PIN AAC-5001 Chartered Accountants FRN 012754N/N500016 Mumbai 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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

Opinion

8. In our opinion, 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Ketan Asher
Partner
Membership Number: 113522

UDIN: 23113522BGYCWY7190
Place: Mumbai
Date: September 27, 2023

Annexure B to Independent Auditors' Report

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 9 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year (Refer Note 41 (x) to the financial statements). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder (Refer Note 41 (i) to the Financial Statements, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) During the year, the Company has made investments in 1 company and 9 Mutual Fund schemes (Refer Note 5 of the Financial Statements). During the year, the company has not granted secured/unsecured advances in nature of loans to companies / firms / Limited Liability Partnerships/ other parties, or stood guarantee, or provided security to companies / firms / Limited Liability Partnerships/ other parties. During the year, the company has not granted any secured loan to companies / firms / Limited Liability Partnerships/ other parties. The company does not have any joint venture and associate.

The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to parties other than subsidiary, joint ventures and associates are as per the table given below:

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Particulars	Loans (Rs. In Lakhs)
Aggregate amount granted/ provided during the year	Nil
Balance outstanding as a balance sheet date in respect of the above case	0.57

(Also refer Note 6 to the financial statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated. The Company is not charging interest on loans to employees as per its policy.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no loans/advances in nature of loans which were granted during the year, either repayable on demand or without specifying any terms or period of repayment, including to promoters/related parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act and accordingly, the provisions of clause 3(iv) of the Order, to the extent, are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services provided by the Company. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, income tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

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012754N/N500016
Mumbai

Annexure B to Independent Auditors' Report

Name of the statute	Nature of dues	Amount (Rs.) (In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	152	April 01, 2009 to March 31, 2010	Commissioner of Income tax (Appeals)
The Income Tax Act, 1961	Income Tax	7	April 01, 2013 to March 31, 2014	Assistant Commissioner of Income Tax
The Income Tax Act, 1961	Income Tax	11	April 01, 2019 to March 31, 2020	Commissioner of Income Tax
The Income Tax Act, 1961	Income Tax	3	April 01, 2017 to March 31, 2018	Commissioner of Income Tax
Service tax Law	Service tax	217	October, 2010 to October, 2012	Commissioner of Service Tax (Appeals)
Service tax Law	Service tax	198	April 2014 to June 2017	Commissioner of Service Tax (Appeals)

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the question of recording the same in the books of account does not arise. (Refer Note 41 (viii) to the financial statements).

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, 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 and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Refer Note 41 (iii) to the financial statements)

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.

(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 subsidiary. The Company does not have any associate or joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associate or joint venture.

x. (a) The Company has not raised any money 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) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures 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) 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, a report under Section 143(12) of the Act, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) 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, the Company has received a whistle-blower complaint during the year, which has been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. 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. The Company is not mandated to have an internal audit system during the year. Accordingly, the reporting under clause (xiv) of the Order is not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

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(c) 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 clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the HSBC Group ('Group') does not have any registered CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. The Financial Ratios Prescribed under Division III of Schedule III of the Act are not applicable to the Company (Refer Note 41 (xiv) to the financial statements). Further, according to the information and explanations given to us and on the basis of 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 Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. In respect of ongoing and other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Ketan Asher
Partner
Membership Number: 113522

UDIN: 23113522BGYCWY7190

Place: Mumbai
Date: September 27, 2023

HSBC Asset Management (India) Private Limited
Balance Sheet as at March 31, 2023

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	3	186	61
Trade receivables	4	5,960	2,339
Investments	5	28,103	18,559
Other financial assets	6	158	76
Subtotal		34,407	21,035
Non-Financial Assets			
Current tax assets (Net)	7	1,510	1,100
Deferred tax assets (Net)	8		748
Property, plant and equipment	9	1,848	144
Right-of-use assets	10	300	
Goodwill	11	108,074	
Other intangible assets	12	308,346	14
Other non-financial assets	13	4,481	420
Subtotal		424,559	2,426
Total Assets		**458,966**	**23,461**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	14	137	6
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	2,678	934
Lease liabilities	10	315	
Other financial liabilities	15	9,150	355
Subtotal		12,280	1,295
Non-Financial Liabilities			
Current tax liabilities (Net)	16	515	519
Deferred tax liabilities (Net)	8	77,835	-
Provisions	17	1,434	524
Other non-financial liabilities	18	1,639	824
Subtotal		81,423	1,867
EQUITY			
Equity share capital	19	34,441	6,159
Other equity	20	330,822	14,140
Subtotal		365,263	20,299
Total Liabilities and Equity		**458,966**	**23,461**
Significant Accounting Policies	1 & 2		

The above Balance sheet should be read in conjuction with the accompanying notes

This is the Balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: September 27, 2023

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
ACS 32038

Place : Mumbai
Date: September 27, 2023

HSBC Asset Management (India) Private Limited
Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Fees and commission Income	21	21,066	10,490
Net gain on fair value changes	22	672	778
Revenue from operations		21,738	11,268
Other income	23	317	595
Total Income		**22,055**	**11,863**
Expenses			
Finance cost	24	15	-
Employee benefits expense	25	8,590	4,525
Depreciation and amortization expense	26	269	67
Others expenses	27	9,333	3,322
Total expenses		**18,207**	**7,914**
Profit before tax		3,848	3,949
Tax expense:			
(a) Current tax	28 1	1,451	1,109
(b) Deferred tax	28 2	1,015	55
		2,466	1,164
Profit for the year		**1,382**	**2,785**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined employee benefit plans	17	(18)	(13)
Income tax relating to items that will not be reclassified to profit or loss		5	2
Other comprehensive income		**(13)**	**(11)**
Total comprehensive income for the year		**1,369**	**2,774**
Earnings per equity share (Nominal value of Rs.10/- per share)			
Basic & Diluted (in INR)		0.86	4.52

The above Statement of Profit and Loss should be read in conjuction with the accompanying notes

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Ketan Ahher
Partner
Membership No: 113522

Place : Mumbai
Date: September 27, 2023

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: September 27, 2023

HSBC Asset Management (India) Private Limited
Statement of Cash Flows for the year ended March 31, 2023

(All amounts in lakhs of Indian Rupees unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**			
	Profit before income tax		3,848	3,949
	Adjustments for:			
	- (Profit) / Loss on disposal of property plant and equipment (Net)	23	(2)	7
	- Unrealised (gain) / loss on forex fluctuation on trade receivables / payables		(23)	(23)
	- Finance cost	24	15	-
	- Depreciation and amortisation	26	269	67
	- (Profit) / Loss on sale of investments (net)	22	(901)	(257)
	- Remeasurment of defined benefit plans	17	(18)	(13)
	- Net (Gain) / Loss on fair value changes on FVTPL assets	22	229	(521)
	Operating profit before working capital changes		3,417	3,209
	Adjustments for changes in working capital			
	(Increase) / decrease in other financial assets	6	(82)	1
	(Increase) / decrease in other non financial assets	13	(4,031)	(97)
	(Increase) / decrease in trade receivables	4	(3,597)	538
	Increase / (decrease) in trade payables	14	60	387
	Increase / (decrease) in other financial liabilities	15	95	(146)
	Increase / (decrease) in other non financial liabilities	18	815	177
	Increase / (decrease) in provisions	17	910	23
			(5,830)	883
	Cash generated from operations		(2,413)	4,092
	Refunds Received/(Payment of taxes) (net)		(1,856)	30
	Net cash (used in) / generated from operating activities (A)		**(4,269)**	**4,122**
B	**Cash flow from investing activities**			
	- Purchase of investments		(31,367)	(10,676)
	- Proceeds from sale of investments		40,996	6,403
	- Purchase of property, plant & equipment	9	(1,921)	(58)
	- Purchase of other intangible assets	12	(152)	-
	- On account of business combinations	39	(346,726)	-
	Net cash (used in) / generated from investing activities (B)		**(339,170)**	**(4,331)**
C	**Cash flow from financing activities**			
	- Proceeds from issue of shares (Including securities premium)	19 & 20	343,631	-
	- Share issue costs	20	(36)	-
	- Finance cost		(15)	-
	- Principal portion of lease liabilities		(16)	-
	Net cash (used in) / generated from Financing activities (C)		**343,564**	-
	Net change in cash and cash equivalents (A+B+C)		125	(209)
	Cash and cash equivalents at the beginning of the year		**61**	**270**
	Cash and cash equivalents at the end of the year		**186**	**61**
	Non-cash investing activities			
	- Acquisition of Right-of-use assets	10	352	-
	Components of cash and cash equivalents			
	In Current account with banks			
	- In India with scheduled banks	3	186	61
	Total cash and cash equivalents		**186**	**61**

Note : The above Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows as prescribed under section 133 of the act.

The above Statement of Cash Flows should be read in conjuction with the accompanying notes.

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: September 27, 2023

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: September 27, 2023

HSBC Asset Management (India) Private Limited
Statement of Changes in Equity for the year ended March 31, 2023

(All amounts in lakhs of Indian Rupees unless otherwise stated)

a) Equity Share Capital

Particulars	Number of Shares	Amount
As at March 31, 2021	61,590,908	6 159
Changes in equity share capital	-	-
As at March 31, 2022	61,590,908	6 159
Changes in equity share capital	282,824,092	28 282
As at March 31, 2023	344,415 000	34 441

b) Other Equity

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	Securities Premium	Retained Earnings	
Balance as at March 31, 2021	**900**	**157**	**10,309**	**11,366**
Profit for the year	-	-	2,785	2,785
Other comprehensive income	-	-	(11)	(11)
Total Comprehensive income for the year	-	-	**2 774**	**2,774**
Balance as at March 31, 2022	**900**	**157**	**13,083**	**14,140**
Profit / (Loss) for the year	-		1,382	1,382
Other Comprehensive Income	-		(13)	(13)
Total comprehensive income for the year	-	-	**1,369**	**1,369**
Issue of equity shares, net of transaction costs	-	315 313	-	315,3[illegible]
Balance as at March 31, 2023	**900**	**315,470**	**14 452**	**330,822**

The above Statement of Changes in Equity should be read in conjuction with the accompanying notes

This is the Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Ketan Ashar
Partner
Membership No: 113522

Place : Mumbai
Date: September 27, 2023

For and on behalf of the Board of Directors of
HSBC Asset Management (India) Private Limited

Dr. Indu Shahani
Director
DIN No: 00112289

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Shilpa Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: September 27, 2023

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Background

HSBC Asset Management (India) Private Limited ("the Company") was incorporated on December 12, 2001. The Company is a wholly owned subsidiary of HSBC Securities and Capital Markets (India) Private Limited. Its principal activity is to act as an Investment Manager to HSBC Mutual Fund ("the Fund"). The Company manages the Mutual Fund schemes launched by HSBC Mutual Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated February 7, 2002. The Company is also a SEBI registered Portfolio Manager. The Company has received a certificate from SEBI to act as Portfolio Manager. The said certificate is valid up to September 13, 2026 and to be renewed thereafter. It provides discretionary and advisory Portfolio Management Services (PMS) to its clients. The Company also provides sub-advisory non binding services to its group entities.

Note on acquisition of Subsidiary

After obtaining all necessary regulatory approvals, on November 25, 2022, the Company acquired 100% shares of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited ("LTIM")). With this, LTIM became wholly own subsidiary of the company. (Refer Note 39)

Note 1: Summary of Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis of preparation

1.1 Compliance with Ind AS

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.

Pursant to provision of section 129(3) of the Companies Act, 2013 read with Rule 6 of The Companies (Accounts) Rules, the financial statement of HSBC Consultancy Services India Limited (formerly known as L&T Investment Management Limited) is proposed to be consolidated with the financial statements of HSBC Securities and Capital Markets (India) Private Limited i.e., the Ultimate Holding Company in India.

1.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities are measured at fair value.

2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Chief Executive Officer & Director who has been identified as the Chief Oerating Decisions Maker. The company presently has a single reportable segment. Necessary disclosure with respect to single reporting segment has been provided in note 38.

3. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is Company's functional and presentation currency. Except as

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otherwise indicated, financial statements presented in Indian rupee has been rounded to the nearest lakhs.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the Statement of Profit and Loss.

4. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Management fees

Management fees(net of GST) from mutual fund schemes are recognised on an accrual basis in accordance with the investment management agreement and provision of SEBI (Mutual Fund) Regulations, 1996. Revenue from management fees is recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Company.

Portfolio Management fees

Portfolio management fees (net of GST) are recognised on an accrual basis in accordance with the respective terms of contract with counter parties. Revenue from portfolio management fees is recognised as and when services are performed over time as the customer simultaneously receives and consumes the benefits provided by the Company.

Advisory fees

Advisory fees are recognised as and when services are performed over the time as the customer simultaneously receives and consumes the benefits provided by the company.

Export Incentives

Export entitlements from Government authorities are recognised in the Statement of Profit and Loss when there is a reasonable certainty of receipt.

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5. Income tax

Current taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Uncertain Tax position

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

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6. Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Company. Contracts may contain both lease and non lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their respevtive stand alone prices. However, for lease of real estate for which the Company is lessee, it has elected not to separate lease and non lease components and instead accounts for these as a single lease component.

Assets and liabilities from a lease are initially measured on a present value basis, Lease liabilities incude the net present value of the following lease payments :

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variabe lease payment that are based on an index or a rate , initially measured using the index or a rate at the commencement date
- amount expected to be paybable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalities for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following :

- The amount of the initial measurement of lease liability
- Any lease payment made at or before the commencement date less any lease incentives received.
- Any intial directs costs, and
- Restoration cost.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

<u>Short term leases and leases of low value assets</u>

The Company has elected not to recognise the right-of-use asset and lease liabilities for short term leases that have a lease life of 12 months or less and leases of low value assets. The Company recognises the lease payment associated with these leases as an expense on straight line basis over the lease term.

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7. Impairment of assets

All assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss.

8. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash in hand, balances and short term deposits with other banks and other short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

10. Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition

Regular way of purchase and sales of financial assets are recognised on trade date, the date on which the Company commits purchase or sale of financial asset.

iii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- ***Amortised cost***: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairement losses are presented as separate line item in the Statement of Profit and Loss.

- ***Fair value through other comprehensive income (FVOCI)***: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest income from these financial assets is included using the effective interest rate method. Foreign exchange gains(losses) are presented in net gain on fair value changes and impairment expenses are presented as separate line item in Statement of Profit and Loss.

- ***Fair value through profit or loss (FVTPL)***: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within Net gain/loss on fair value changes in the period in which it arises.

Equity instruments

The Company measures all equity investments at fair value through profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net gain/loss on fair value changes in the Statement of Profit and Loss.

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iv. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30(b) details how the Company determines whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset;or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi. Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Profit or loss on sale of investments

In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.

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(All amounts in lakhs of Indian Rupees unless otherwise stated)

11. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

12. Financial liabilities

i. Classification as debt or equity

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

ii. Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

iii. Subsequent measurement:

Financial liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the liabilities using the effective interest rate method.

iv. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of the existing liability are substantially modified, such as exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

13. Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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Mumbai

(All amounts in lakhs of Indian Rupees unless otherwise stated)

Depreciation methods, estimated useful lives and residual value

Further, as disclosed in table below, based on technical evaluation done by management's expert, the estimated useful life of fixed assets of the Company is different from useful life prescribed in Schedule II of the Companies Act, 2013. Based on the nature of fixed assets used by the Company and past experience of its usage, the Company considers that the useful life for respective assets to be appropriate.

Nature of Property, Plant and Equipment	Management estimate of useful Life	Useful life as per Schedule II
Furniture and Fixtures	5 years	5 years
Computers	4 years	3 years
Computers (Servers)	5 years	6 years
Office Equipments	5 years	5 years

The Asset costing less than INR 35,000 (Previous year : INR 35,000) are depreciated at 100% in the year of Capitalisation.

- For these class of assets, based on internal assessment, the useful life as given are believed to best represent the period over which the assets are expected to be used. Hence the useful lives are different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

14. Intangible assets

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.

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- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed 36 months from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software- 36 months

Goodwill and Asset Management Right

Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred. Assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Indefinite-life intangible assets comprises of Asset Management Rights (AMR) and Goodwill, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the Asset Management Rights. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates. Goodwill is initially recognised based on the accounting policy for business combinations (Refer sub-note 26 of note 1 and note 39) and is tested for impairment annually.

15. Investments in Subsidiaries, Associates and Joint Venture

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

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16. Indemnification Asset

Initial recognition :
Indemnification asset is recognised at fair value at the time when the seller contractually agrees to indemnify, in whole or in part, for a particular uncertainty. It is initially measured on the same basis as defined in the agreement, subject to collectability.

Subsequent measurement :
As at each reporting period, the Company re-assesses the indemnification asset that was recognised initially on the same basis as defined in the contract subject to collectability of such asset. The Company derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

17. Trade and other payables

These amounts 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 presented as financial liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

18. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

A contingent asset is disclosed, where an inflow of economic benefits is probable.

19. Employee benefits

Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post employement obligations

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The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity and
- defined contribution plans such as provident fund and superannuation fund.

Defined benefit plans (Gratuity)

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share based payments/Restricted Share Plan

The Company's certain eligible employees are entitled to Restricted Share Plan (in the form of deferred bonus) as per the Company's policy. As per the schemes, these options/awards vest in a graded manner over an average period of three years. The provision is assessed on a yearly basis. At the end of the tenure, the liability is settled in shares based on the prevailing market value.

Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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20. Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

21. Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

22. New Fund Offer ('NFO') expenses

Expenses relating to NFO of MF scheme are charged to Statement of Profit and Loss of the company in the year in which these expenses are incurred.

23. Brokerage expenses

Distribution cost in form of brokerage paid to distributors are charged to Statement of Profit and Loss of the Company in the year in which these expenses are incurred. Clawback of such brokerages, if any, is netted off from such distribution costs.

24. Fund expenses

Expenses incurred (inclusive of advertisement and brokerage expenses) on behalf of schemes of the Fund are charged to the Stataement of Profit and Loss of the Company unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

25. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

26. Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised

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in the Statement of Profit and Loss. Transaction costs are expensed in the statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

Deferred income taxes in a business combination are recognised and measured in accordance with Ind AS 12. Deferred taxes are provided on all the temporary differences arising between the values assigned to identifiable assets and liabilities and their respective tax bases. Accordingly, if the intangible assets acquired have an indefinite useful life and are not amortised for accounting purposes and are also not deductible for tax purposes, the deferred tax liability is recognised and affects goodwill. This deferred tax liability remains on the balance sheet and is released through profit or loss on sale or impairment.

27. New and amended standards adopted by the group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

28. New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

Note 2: Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Certain of the Company's accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and may have a material impact on the Company's financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. estimates where management could have reasonably used another estimate in the current accounting period. The critical policies that involves critical accounting estimates includes provision for current tax, fair valuation of financial instruments, deferred tax realisability, employee benefits related liabilities and business combination. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

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Interest in other entities

The Company acts as the fund manager for HSBC Mutual Fund, and through its rights as a manager, has a significant involvement in decision-making over the funds' operations and activities. However, fund managers are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. The Company considers its decision-making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering voting rights, restrictions etc., as required by Ind AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case. Accordingly, it is assessed that there is no significant influence exercised by the company as per Ind AS 28 over Mutual fund schemes that it manages.

The areas involves critical estimates and judgements are:
Provision for current tax - Note 7
Deferred tax realisability - Note 8
Measurement of Lease liabilities and Right of Use Asset - Note 10
Key assumptions used in discounted cash flow projections - Note 11 & 12
Impairment of Goodwill and Intangible assets - Note 11 & 12
Indefinite useful life of certain intangible assets - Note 11 & 12
Employee benefits related liabilities - Note 17
Fair valuation of financial instruments - Note 29
Fair valuation of assets acquired and liabilities assumed as part of business combination -Note 39

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

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Notes to the financial statements for the year ended March 31, 2023 (Continued)

(All amounts in lakhs of Indian Rupees unless otherwise stated)

3 Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks in current account	186	61
Total	**186**	**61**

4 Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from contract with customers - billed	3,837	1,022
Trade receivables from contract with customers - unbilled	469	-
Trade receivables from contract with customers - billed - related parties	1,093	590
Trade receivables from contract with customers - unbilled - related parties	659	825
Less: Impairment loss allowance (Refer note 30 b)	(98)	(98)
	5,960	**2,339**
Break up of security details		
Receivable Considered good - Unsecured	4,208	924
Less: Impairment loss allowance	-	-
	4,208	**924**
Receivable - Credit Impaired	98	98
Less: Impairment loss allowance (Refer note 30 b)	98	98
	-	-
Receivable Considered good - Unsecured-Related Party	1,752	1,415
Less: Impairment loss allowance	-	-
	1,752	**1,415**
Gross	**6,058**	**2,437**
Less: Impairment loss allowance	98	98
Total	**5,960**	**2,339**

Ageing of Trade receivables as on March 31, 2023

Description		Outstanding for following periods from the due date					
	Unbilled	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
considered good	1,128	4,832	-		-	-	5,960
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	98	-	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	1,128	4,832	-	-	98	-	6,058
Less: Impairment loss allowance	-	-	-		98	-	98
Total	**1,128**	**4,832**	**-**	**-**	**-**	**-**	**5,960**

Ageing of Trade receivables as on March 31, 2022

Description		Outstanding for following periods from the due date					
	Unbilled	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables							
considered good	825	1,514	-	-	-	-	2,339
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	98	-	-	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	825	1,514	-	98	-	-	2,437
Less: Impairment loss allowance	-	-	-	98	-	-	98
Total	**825**	**1,514**	**-**	**-**	**-**	**-**	**2,339**

(All amounts in lakhs of Indian Rupees unless otherwise stated)

5 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
At Fair Value through Profit or Loss		
Mutual funds units	17,269	18,494
Equity Instruments	450	65
Total Gross	**17,719**	**18,559**
At Cost		
Investment in Subsidiary	10,384	-
Total	**10,384**	**-**
(i) Investments outside India	-	-
(ii) Investments in India	28,103	18,559
Total	**28,103**	**18,559**
Less : Impairment loss allowance	-	-
Total Net	**28,103**	**18,559**

Demat transfer of Equity shares received on account of Business combination
Details of equity instruments given below appear in the name of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited) and the Company is in process to transfer the same in the name of HSBC Asset Management India Private Limited.

Details of Equity Instruments	At Fair Value through Profit or Loss	Number of shares
AMC Repo Clearning Limited	349	3,381,396
MF Utilities Private Limited	35	500,000
Total	**384**	**3,881,396**

6 Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
(A) Loans		
Security Deposit	157	75
Staff Loans	1	1
Total- Gross	**158**	**76**
Less:Impairment loss allowance	-	-
Total - Net	**158**	**76**
(B) Secured by tangible assets	-	-
Secured by intangible assets	-	-
Covered by Bank/Government Guarantees	-	-
Unsecured	158	76
Total- Gross	**158**	**76**
Less: Impairment loss allowance	-	-
Total- Net	**158**	**76**
(C) (I) Loans in India		
Public Sector	-	-
Others	158	76
Total- Gross	**158**	**76**
Less: Impairment loss allowance	-	-
Total Net	**158**	**76**
(C) (II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total- Net	-	-
Total C (I) and C (II)	**158**	**76**

7 Current tax assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax, Tax deducted at source, [Net of provision for tax of Rs. 8,113 lakhs (March 31, 2022 Rs. 6,667 lakhs)]	1,510	1,100
Total	**1,510**	**1,100**

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8 Deferred tax (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
Minimum Alternate Tax (MAT) Credit	-	825
Depreciation/Amortisation	7	8
Provision for employee benefits	165	152
Bonus payable	118	64
Other	-	105
Lease liablity	4	-
Total deferred tax assets	**294**	**1,154**
Deferred Tax Liabilities		
Business combination	77,568	-
Fair value of financial instruments	561	406
Total deferred tax liabilities	**78,129**	**406**
Net deferred tax (liabilities) / assets	**(77,835)**	**748**

Note: For movement in deferred tax, refer note 28.2

The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on approved business plans and budgets for the Company as per the relevant dates above. the Company is expected to generate taxable income in future years.

9 Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Office Equipment	Total
Gross Block (At Cost)				
As at March 31, 2021	284	17	25	326
Additions	58	-	-	58
Disposals	(10)	(17)	-	(27)
As at March 31, 2022	**332**	**-**	**25**	**357**
Additions	1,866	34	21	1,921
Disposals	(30)	-	(11)	(41)
As at March 31, 2023	**2,168**	**34**	**35**	**2,237**
Depreciation				
As at March 31, 2021	160	9	15	184
Depreciation charge during the year	43	1	5	49
Disposals	(10)	(10)	(0)	(20)
As at March 31, 2022	**193**	**-**	**20**	**213**
Depreciation charge during the year	208	4	5	217
Disposals	(30)	-	(11)	(41)
As at March 31, 2023	**371**	**4**	**14**	**389**
Net Block				
As at March 31, 2022	139	-	5	144
As at March 31, 2023	1,797	30	21	1,848

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10 Right-of-use assets

(i) Amount recognised in balance sheet

Particulars	As at March 31, 2023	As at March 31, 2022
A.Gross carrying amount		
Opening gross carrying amount	-	-
Add: Additions during the year	352	-
Less: Deductions during the year	(23)	-
Closing gross carrying amount (A)	**329**	-
B. Accumulated depreciation		
Opening accumulated depreciation	-	-
Add: Depreciation	32	-
Less: Deductions during the year	(3)	-
Closing accumulated depreciation (B)	29	-
Net carrying amount (A) - (B)	**300**	-

Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	315	-
Total	**315**	-

Additions during the year is Rs.352 lakhs (Previous year: Nil)
Total outflow during the 2022-2023 is Rs.31 lakhs (Previous year: Nil)

(ii) Amount recognised in statement of profit and loss

Finance Cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses on lease liabilities	15	-
Total	**15**	-

Depreciation and amortization expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Right-of-use assets	32	-
Total	**32**	-

(iii) Net debt reconcilation

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	186	61
Liquid investment	6,955	16,489
Lease Liabilities	(315)	-
Total	**6,826**	**16,550**

Particulars	Cash and cash equivalents	Lease Liabilities	Liquid investment	Total
Net debt as at 1 April, 2021	270	-	11,767	12,037
New lease	-	-		-
Cash flow	(209)	-	4,722	4,513
Interest expenses on lease liabilities	-	-	-	-
De-recognition of lease	-	-	-	-
Net debt as at 31 March, 2022	**61**	-	**16,489**	**16,550**
New lease	-	(352)		(352)
Cash flow	125	31	(9,534)	(9,378)
Interest expenses on lease liabilities	-	(15)	-	(15)
De-recognition of lease	-	21	-	21
Net debt as at 31 March, 2023	**186**	**(315)**	**6,955**	**6,826**

(iv) Short term lease

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense relating to short-term leases (included in other expenses)	646	376
Total	**646**	**376**

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11 Goodwill

Particulars	Goodwill
Gross Block (At Cost)	
As at March 31, 2021	
Additions	-
Disposals	-
As at March 31, 2022	**-**
Additions	-
Additions on account of business combination (refer note 39)	108,074
Disposals	-
As at March 31, 2023	**108,074**
Amortisation	
As at March 31, 2021	-
Amortisation during the year	-
Disposals	-
As at March 31, 2022	
Amortisation during the year	-
Impairment loss	-
Disposals	-
As at March 31, 2023	**-**
Net Block	
As at March 31, 2022	-
As at March 31, 2023	108,074

12 Other intangible Assets

Particulars	Computer Software	Asset Management Rights	Total
Gross Block (At Cost)			
As at March 31, 2021	121	-	121
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2022	**121**	**-**	**121**
Additions	152	-	152
Additions on account of business combination (refer note 39)	-	308,200	308,200
Disposals	-	-	-
As at March 31, 2023	**273**	**308,200**	**308,473**
Amortisation			
As at March 31, 2021	89	-	89
Amortisation during the year	18		18
Disposals	-	-	-
As at March 31, 2022	**107**		**107**
Amortisation during the year	20		20
Disposals	-	-	-
As at March 31, 2023	**127**	**-**	**127**
Net Block			
As at March 31, 2022	14	-	14
As at March 31, 2023	146	308,200	308,346

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Intangible Impairment assessment disclosures

Asset Management Rights(AMR) is expected to contribute positively to the entity's cash flow generation over the long term. In absence of a foreseeable period during which AMR is anticipated to generate net cash inflows for the company, AMR has been considered to have an indefinite life and is assessed for impairment on a yearly basis. Asset Management Rights acquired through business combinations has been allocated to single cash–generating unit (CGU) for impairment testing, as follows:

Significant Cash Generating Units (CGUs)

The entire company is considered as one CGU. The intangible assets - Asset Management Rights and Goodwill - both have been fully allocated to this CGU.

Impairment testing of CGU:

Particular	As at March 31, 2023	As at March 31, 2022
Carrying value of CGU	365,263	-
Recoverable amount of CGU #	419,866	-

Note
(i) Recoverable amount is based on fair value less costs of disposal
(ii) Valuation technique i.e. discounted cash flow projections has been used to measure fair value less costs of disposal.

Recoverable amount is determined using fair value less cost of disposal

Management has determined the recoverable amount of the CGU by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The valuation is considered to be Level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. No impairment was identified.

Management's approach and the key assumptions used to determine the CGU's FVLCOD were as follows:

Unobservable inputs	Value assigned to key assumption	
	31-Mar-23	Approach to determining key assumption
Total expected revenue for 5 years (Undiscounted)	253,817	Based on past performance, 5 years forecasts prepared by the management and management's expectations of market development
Terminal Value at the end of 5th Year	634,137	Computed using Long-term growth rate on 5th year of expected cashflow
Post-tax discount rate (%)	14.62%	Reflects the market risk free rate and premium related to the specific risks
Long-term growth rate (%)	8.00%	Computed using weighted average growth rate which is used to extrapolate cash flows beyond the budget period. The rate is consistent with forecast included in industry report.

The calculation of fair value less cost of disposal is most sensitive to expected cash-flows, post-tax discount rate and long term growth rate

The recoverable amount of the CGU is estimated to exceed the carrying amount of the CGU at 31 March 2023 by INR 54,603 lakhs . The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

Key assumptions	31-Mar-23	
	From	To
Post-tax discount rate (%)	14.62%	15.55%
Long-term growth rate (%)	8.00%	7.00%
Total expected revenue for 5 years (Undiscounted)	253,817	220,821

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple.

The growth rates used to estimate cash flows for the first five years are based on the Company's five-year strategic plan.

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13 Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to suppliers	23	1
Goods and Service tax (GST) / Cenvat Credit	464	140
GST Payment under Protest	2,500	-
Prepayments	515	182
Other Receivables	169	97
Plan Assets (refer note 17-b)*	810	-
Total	**4,481**	**420**

* The L&T Employee Gratuity Welfare Trust acquired as part of business combination is in the process of getting transferred in the name of the Company.

14 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	137	6
Total outstanding dues of creditors other than micro enterprises and small enterprises - Related Party	553	471
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,125	463
Total	**2,815**	**940**

Ageing of Trade Payables as on March 31, 2023

Description	Unbilled	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	-	137	-	-	-	137
Others	114	2,562	2			2,678
Disputed trade payables						-
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**114**	**2,699**	**2**	**-**	**-**	**2,815**

Ageing of Trade Payables as on March 31, 2022

Description	Unbilled	Outstanding for following periods from the due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables						
Micro enterprises and small enterprises	-	6	-	-	-	6
Others	343	581	-	-	10	934
Disputed trade payables						-
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**343**	**587**	**-**	**-**	**10**	**940**

The below information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said Act as available with the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	-	-
- Principal amount	137	6
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of the payment made to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

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15 Other Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable (including Restricted Share Plan)	492	259
Income Tax Refund Payable	96	96
Payable to Subsidiary	8,562	-
Total	**9,150**	**355**

16 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax [Net of advance tax and Tax deducted at source Rs. 1,988 lakhs (March 31, 2022 Rs. 1,984 lakhs)]	515	519
Total	**515**	**519**

17 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for Compensated absences	163	74
Provision for Gratuity (refer note b) below)	1,271	450
Total	**1,434**	**524**

The entire amount of the provision of compensated absences Rs. 163 lakhs (March 31, 2022 - Rs. 74 lakhs) is due within 12 months, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

a) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 298 lakhs (March 31, 2022 - Rs.183 lakhs).

b) Defined benefit plans
Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity act, 1972. The same is payable at the time of seperation from the Company or retirement, whichever is earlier. The benefit vest after 4 years and 190 days of continuous service. The plan is partially funded.

(i) The following tables summarise the components of net benefit expense recognised in the Statement of Profit or Loss and the unfunded status and amounts recognised in the Balance Sheet for the respective plans:

Particulars	As at March 31, 2023		
	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	**450**	-	**450**
Current service cost	91	-	91
Interest cost	43	17	26
Total amount recognised in Profit and Loss	**134**	**17**	**117**
Return on plan assets, excluding amounts included in interest expense/(income)	-	31	(31)
(Gain)/loss from change in demographic assumptions	50	-	50
(Gain)/loss from change in financial assumptions	(103)	-	(103)
(Gain)/loss on account of experience changes	102	-	102
Total amount recognised in Other Comprehensive Income	**49**	**31**	**18**
Employer Contributions	-	-	-
Benefit Payments	(94)	-	(94)
Liabilities assumed/Asset acquired	732	762	**(30)**
Closing Balance	**1,271**	**810**	**461**

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Particulars	As at March 31, 2022		
	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	**429**	-	**429**
Current service cost	58	-	58
Interest cost	25	-	25
Total amount recognised in Profit and Loss	**83**	-	**83**
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(8)	-	(8)
(Gain)/loss on account of experience changes	21	-	21
Total amount recognised in Other Comprehensive Income	**13**	-	**13**
Employer Contributions	-	-	-
Benefit Payments	(75)	-	(75)
Liabilities assumed/Asset acquired	-	-	-
Closing Balance	**450**	-	**450**

The net liability disclosed above relates to funded and unfunded plans as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded plan liabilities	781	-
Fair value of plan assets	(810)	-
Plan liability net of plan assets	**(29)**	-
Unfunded liabilities	490	450
Deficit before asset ceiling	**461**	**450**

(ii) Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefit expense:		
Current service cost	91	58
Total	**91**	**58**
Finance costs	26	25
Net impact on the profit before tax	**117**	**83**
Remeasurements of the net defined benefit liability:		
Actuarial gains/(losses) arising from Changes in financial assumption	(103)	(8)
Actuarial gains/(losses) arising from changes in demographic assumptions	50	-
Actuarial gains/(losses) arising from changes actual return on plan assets less interest on plan asset	(31)	-
Actuarial gains/(losses) arising from changes in experience	102	21
Net impact on the other comprehensive income before tax	**18**	**13**

(iii) Defined benefit plan assets

Category of assets	As at March 31, 2023	As at March 31, 2022
- Insurer managed funds	810	-
Total	**810**	-

(iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.10%	6.70%
Salary escalation rate*	7.00%	7.00%

* takes into account the inflation, seniority, promotions and other relevant factors

(v) Demographic assumptions

Retirement Age:

The employees of the Company are assumed to retire at the age of 60 years.

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality rate	Indian Assured Lives Mortality (2006-08) / (2012- 14) Ult.	Indian Assured Lives Mortality (2006-08) / (2012- 14) Ult.
Withdrawal rate	11%	11%

Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

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(vi) Sensitivity

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50bps	(37)	39
Salary escalation rate	50bps	39	(37)

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50bps	(14)	15
Salary escalation rate	50bps	14	(14)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) Maturity

The defined benefit obligations shall mature after year end as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
1st following year	155	50
2nd following year	158	54
3rd following year	167	62
4th following year	185	64
5th following year	302	67
Sum of year 6 and above	1,132	414

The weighted average duration of the defined benefit obligation is 7 years (previous year - 7 years)

Expected employer contributions for the period ending March 31, 2024 Rs. 155 lakhs.

(viii) Risk Exposure

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

18 Other Non-Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	1,639	824
Total	**1,639**	**824**

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19 Equity Share capital

Authorised Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2021	62,000,000	6,200
Increase during the year	-	-
As at 31 March 2022	62,000,000	6,200
Increase during the year	4,438,000,000	443,800
As at 31 March 2023	4,500,000,000	450,000

Authorised Preference Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2021	8,000,000	80,000,000
Increase during the year	-	-
As at 31 March 2022	8,000,000	80,000,000
Increase during the year		
As at 31 March 2023	8,000,000	80,000,000

Issued Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2021	61,590,908	6,159
Increase during the year	-	-
As at 31 March 2022	61,590,908	6,159
Rights issue during the year ##	326,431,802	32,643
As at 31 March 2023	388,022,710	38,802

Subscribed and paid-up Equity Share Capital

Particulars	Number of Shares	Amount
As at 31 March 2021	61,590,908	6,159
Increase during the year	-	-
As at 31 March 2022	61,590,908	6,159
Rights issue during the year ##	282,824,092	28,282
As at 31 March 2023	344,415,000	34,441

Reconciliation of number of Equity Shares

Equity Shares:	**As at 31 March 2023**		**As at 31 March 2022**	
Particulars	**Number of Equity Shares**	**Amount**	**Number of Equity Shares**	**Amount**
Balance as at the beginning of the year	61,590,908	6,159	61,590,908	6,159
Add / less: Movement during the year	282,824,092	28,282	-	-
Balance as at the end of the year	344,415,000	34,441	61,590,908	6,159

Rights, preferences and restrictions attached to the Equity Shares

The Company has a single class of Equity Shares having a par value of Rs. 10 per share.

Equity Shares: The Company has one class of Equity Shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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Rights issue:

On 17 November 2022, the Company sent the Letter of Offer inviting its existing shareholders to subscribe to further issue by way of right shares ('issue') for 32,64,31,802 equity shares at an issue price of INR 121.50 per share on the basis of 53 equity shares for every 10 fully paid equity shares held in the Company, with such shares issued shall rank pari-passu with the existing equity shares of the Company. The offer period for issue was opened on 22 November 2022 and 28,28,24,092 equity shares was subscribed by HSBC Securities and Capital Markets (India) Private Limited ('HSCI'). The offer period was closed and the allotment of 28,28,24,092 equity shares was done to HSCI on 23 November 2022. 4,36,07,710 equity shares were unsubscribed.

Shares held by Holding Company:

344,415,000 (previous year: 61,590,908) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees.

Details of shareholders holding more than 5% of the aggregate shares in the Company:

344,415,000 (previous year: 61,509,908) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees. Percentage of holding- March 31, 2023: 100% ; March 31, 2022: 100%. There has been no change in Promoter's shareholding.

Details of shareholding of promoters

344,415,000 (previous year: 61,509,908) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees. Percentage of holding- March 31, 2023: 100% ; March 31, 2022: 100%. There has been no change in the promoter shareholding during the current year & previous year.

20 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	315,470	157
Capital Redemption Reserve	900	900
Retained Earnings	14,452	13,083
Total	**330,822**	**14,140**

Securities Premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	157	157
Rights issue	315,349	-
Transaction costs arising on share issues	(36)	
Closing balance	**315,470**	**157**

Capital Redemption Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	900	900
Changes during the year	-	-
Closing balance	**900**	**900**

Retained Earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	**13,083**	**10,309**
Add: Profit for the year	1,382	2,785
Items of other comprehensive income recognised directly in Retained Earnings		
- Remeasurement of defined employee benefit plans, net of tax	(13)	(11)
Closing Balance	**14,452**	**13,083**

Nature and Purpose of Reserves

Securities Premium:

Securities Premium is used to record the premium on issue of shares. The reserve is utlised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve:

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of the free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve (CRR). CRR can be used only for the purpose of issuing bonus shares.

Retained earnings:

Retained earnings represents surplus/deficit of the Company and is available for distribution to the shareholders.

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21 Fees and commission Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Management fees from		
i) Mutual fund operations (net of GST)	16,629	5,727
ii) Portfolio Management Service (net of GST)	424	203
iii) Advisory Services	4,013	4,560
Total	**21,066**	**10,490**

22 Net gain on fair value changes

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain/(loss) on financial instruments at FVTPL		
On Mutual fund	630	778
On Equity Instrument	42	-
Total	672	778
Fair value changes:		
Realised	901	257
Unrealised	(229)	521
Total	672	778
Total	**672**	**778**

23 Other Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gain on account of foreign exchange fluctuations (net)	176	79
Interest on income tax refund	-	515
Profit on disposal of property, plant and equipment (net)	2	-
Income from duty scrips	139	-
Miscellaneous income	-	1
Total	**317**	**595**

24 Finance Cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expenses on lease liabilities	15	-
Total	**15**	**-**

25 Employee Benefits Expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages & bonus	7,875	4,163
Contribution to provident and other funds (refer note 17 a)	298	183
Gratuity (refer note 17 b)	117	83
Compensated absences	108	29
Share based payments (refer note 34 b)	10	30
Staff welfare expenses	182	37
Total	**8,590**	**4,525**

26 Depreciation and amortization expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	217	49
Amortisation on other intangible asset	20	18
Depreciation on right-of-use assets	32	-
Total	**269**	**67**

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27 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent & utilities	660	414
Repairs and maintenance	1,482	473
Communication expenses	459	311
Director's fees, allowances and expenses	20	7
Auditor's fees (refer a) below)	53	23
Legal and professional charges	1,756	634
Insurance	219	127
Travelling and conveyance expenses	153	13
Brokerage and incentives	220	99
Compensation (refer b) below)	76	5
Scheme related expenses	1	-
Rates and taxes	311	54
Corporate social responsibility (CSR) expenses (refer c) below)	43	29
Loss on disposal of property, plant and equipment (net)	-	7
Support service charges	1,833	915
Business development charges	1,966	186
Recruitment cost	6	-
Membership and subscription	9	8
Office administration	66	17
Total	**9,333**	**3,322**

a) Break up of Auditor's Remuneration

Payment to Auditor:	For the year ended March 31, 2023	For the year ended March 31, 2022
- Statutory audit	53	23
- Other services	-	-
- Reimbursement of expenses*	0	0
Total	**53**	**23**

* Below the rounding off norms adopted by the Company.

b) Compensation

The Company incurred Rs. 76 lakhs (March 31, 2022 Rs. 5 lakhs) towards compensation paid by the Company to investors / distributors on account of routine processing errors / delays.

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c) Contribution for corporate social responsibility (CSR)

i) Gross amount required to be spent by the Company during the year. Rs. 43 lakhs (Previous year Rs. 29 lakhs)
ii) Amount approved by the Board to be spent during the year : Rs. 43 lakhs (Previous year Rs. 29 lakhs)
iii) HSBC Asset Managment India Private Limited has proposed to support United Way Mumbai project "Vaccination of eligible, socially and economically disadvantaged population & special groups requiring attention basis guidance from CSR team of HSBC, India. Towards this end. INR 43 lakhs, would be utilized to support dozes of vaccine to be administered and would be procured from the government directly and vans rented from abulatory service would be visible on the COWIN app.

Disclosures in relation to corporate social responsibility expenditure:

Details of CSR Expenditure	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent as per Section 135 of the Act	43	29
i) Amount of expenditure incurred		
Contribution to United Way of Mumbai	43	29
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	43	29

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

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

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

Balance unspent as at April 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 March 31, 2023
-	-	43	43	-

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Details of ongoing CSR projects under Section 135(6) of the Act:
(₹ in lakhs)

Financial Year	Balance as at April 01, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 22-23	-	-	-	-	-	-	-
FY 21-22	-	-	-	-	-	-	-

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

Balance excess spent as at April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	-	-	-

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

Balance unspent as at April 01, 2021	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 March 31, 2022
-	-	29	29	-

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Notes to the financial statements for the year ended March 31, 2023 (Continued)

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28.1 Income tax expense

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
Income tax expense		
Current tax on profits for the year	1,446	1,107
Add / (Less) : MAT Credit Entitlement	-	-
MAT Credit (Prior Period)	-	-
Total Current tax expense	**1,446**	**1,107**
Deferred tax relating to origination and reversal of temporary differences	1,015	55
Income tax expense	**2,461**	**1,162**
Other Comprehensive Income		
Income tax relating to items that will not be reclassified to profit or loss	(5)	(2)
Current Tax	1,451	1,109
Deferred Tax	1,015	55

Reconciliation of tax expense and the accounting profit multiplied by company's tax rate:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by company's tax rate for the years ended 31 March 2023 and 31 March 2022 is as follows:

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
Accounting profit before tax	3,848	3,949
At statutory income tax rate of 25.168%* (As at March 31, 2022 - 29.12%)	969	1,150
LTIP	3	9
Corporate Social Responsibility- Non tax deductible	11	4
Capital Gain on Sale of investment taxed at different rates	(43)	(8)
Disallowance of share acquisition related expenses	349	-
MAT credit written off	825	
Others	-	47
Deferred Tax on account of change in tax rate /different rates	347	(40)
Income tax expense reported in the Statement of Profit and Loss	2,461	1,162
Income tax relating to items that will not be reclassified to profit or loss	5	2
Tax expense as per Profit and Loss Statement	2,466	1,164

* The Company has opted 22% income tax rate as per the provisions of Section 115BAA of the Income Tax Act, 1961. The MAT provisions (section 115JAA) do not apply when company opts for section 115BAA, therefore the brought forward MAT credit has been written off.

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28.2 Deferred tax

Particulars	As at March 31, 2021	Movement in Profit and Loss [Debit/ (Credit)]	MAT Credit Utilised	As at March 31, 2022	Movement in Profit and Loss [Debit/ (Credit)]	On account of business combination	As at March 31, 2023
Deferred tax assets							
MAT Credit	1,185	-	360	825	825	-	-
Provision for employee benefits	145	(7)	-	152	(13)	-	165
Bonus payable	109	45	-	64	(54)	-	118
Depreciation/Amortisation	11	3	-	8	1	-	7
Others	29	(76)	-	105	105	-	-
Lease Liabilities	-	-	-	-	(4)	-	4
Total	**1,479**	**(35)**	**360**	**1,154**	**860**	**-**	**294**
Deferred tax liablities							
Fair value of financial instruments through P&L	(316)	90	-	(406)	155	-	(561)
Asset Management Rights	-	-	-	-	-	77,568	(77,568)
Total	**(316)**	**90**	**-**	**(406)**	**155**	**77,568**	**(78,129)**
Net Deferred Tax	**1,163**	**55**	**360**	**748**	**1,015**	**77,568**	**(77,835)**

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29 Fair value measurement

a) Financial Instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in sub-notes 8, 9,10 & 12 of note 1 to the financial statements.

Particulars	As at March 31, 2023				As at March 31, 2022			
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Cost	Fair value through profit or ;oss	Fair value through OCI	Amortised cost	Cost
Financial assets:								
Cash and cash equivalents	-	-	186	-	-	-	61	-
Trade receivables	-	-	5,960	-	-	-	2,339	-
Investments:								
- Mutual fund units	17,269	-	-	-	18,494	-	-	-
- Equity instruments	450	-	-	-	65			-
Investment in subsidiary	-	-	-	10,384				-
Loans:								
-Staff loans	-	-	1	-	-	-	1	-
-Security deposits	-	-	157	-	-	-	75	-
Total financial assets	**17,719**	**-**	**6,304**	**10,384**	**18,559**	**-**	**2,476**	**-**
Financial liabilities:								
Trade payables	-	-	2,815	-	-	-	940	-
Other financial liabilities	-	-	9,150	-	-	-	355	-
Lease liabilities			315	-	-	-	-	-
Total financial liabilities	**-**	**-**	**12,280**	**-**	**-**	**-**	**1,295**	**-**

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b) 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.

As at March 31, 2023

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	5	17,269	-	-	17,269
- Equity Instruments	5	-	-	450	450
Total financial assets		**17,269**	**-**	**450**	**17,719**

As at March 31, 2022

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	5	18,494	-	-	18,494
- Equity Instruments	5	-	-	65	65
Total financial assets		**18,494**	**-**	**65**	**18,559**

i) There are no transfers between levels 1, 2 and 3 during the year.

ii) The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes investment in mutual fund units. The investment in all the open ended mutual funds are valued at closing Net Asset Value (NAV)/ Market Price, which represents the repurchase price at which the issuer will redeem the units from investors.These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market 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. The instruments are valued based on quoted prices for the similar instruments but for which significant observable adjustments are required to reflect the difference between the instruments. Unlisted equity shares are classified under this category.

Fair Value measurements using significant unobservable inputs (Level 3)
The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022:

Particulars	Unlisted equity securities	Contingent consideration	Hedging derivatives	Indemnification asset	Total
As at 01 April, 2021	-	-	-	-	-
Acquisitions	65	-	-	-	65
Gain/(Losses) recognised in P&L A/c	-	-	-	-	-
As at 31 March, 2022	**65**	**-**	**-**	**-**	**65**
Acquisitions	343	-	-	-	343
Gain/(Losses) recognised in P&L A/c	42	-	-	-	42
Gain/(Losses) recognised in OCI	-	-	-	-	-
As at 31 March, 2023	**450**	**-**	**-**	**-**	**450**

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c) Valuation technique used to determine fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Specific valuation techniques used to value financial instruments include:
The fair value of the closed ended mutual fund units is determined using obervable NAV at the reporting date as declared by the issuer.

Financial Instrument	Valuation Technique
Unquoted Equity Instruments	
AMC Repo Clearing Limited	Underlying Asset approach considered ultimate analysis to determined the fair value per equity share
MF Utilities Private Limited	Discounted cash flow based on present value of the expected future economic benefit and/or price of recent investment
Mutual Funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed/quoted price

The investment in AMC Repo Clearing Limited (ARCL) is valued at a Net Assets approach, The underlying asset approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to companies which are in the initial stages of starting operations. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

The investment in Mutual Fund utility (MFU) participation shares (classified under FVTPL) entitles access to MFU a transaction aggregating portal that enables free access to investors for NAV and other scheme related content across mutual funds. The Association of Mutual Funds in India mandates this investment for all the asset management companies in proportion of their assets under management (AUM) to access MFU.

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial statements/ financial information, valuation report of independent valuers, etc. which are considered for the valuation process.

d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value as at		Significant unobservable inputs	Impact on profit after tax and equity
	31-Mar-23	31-Mar-22		
Unquoted Equity Shares				
AMC Repo Clearing Limited	415	65	Net assets value	Increase in net asset value by 1% would increase the value by INR 4.15 lakhs and decrease in 1% would decrease the value by INR 4.15 lakhs
MF Utilities Private Limited	35	-	Risk adjusted discount rate	Discount rate of 12.71% is used to derive at the valuation. If the discount rate increase by 1% would lead to decrease in the fair value by INR 1.25 lakhs and decrease in discount rate by 1% would increase in the fair value by INR 1.30 lakhs

Valuation Process

The finance department of the Company includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. The team reports directly to the Finance Head of the Company. Discussions of valuation processes and results are held between the valuation team and the senior management at least once every year which is in line with the Company's Annual reporting periods.

e) Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, trade and other receivables, trade and other payables, staff loans and bank deposits without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

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30 Financial risk management

Introduction

Risk management is an integral part of the business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures.the Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The financial instruments held by the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. In addition, the Company is indirectly exposed to market risk through management fee income which is determined by the assets under management. the Company uses different methods such as sensitivity analysis to measure different types of risk to which it is exposed.

a) Market risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

i) Foreign exchange risk

The Company is exposed to foreign exchange risk primarily through balances arising in the normal course of business (i.e. on Trade Payables and Receivables) that are denominated in a currency other than the Company's functional currency. The sensivity analysis of foreign currency receivables/payables is depicted below

Particulars	Impact on profit after tax and equity	
	March 31, 2023	March 31, 2022
Rupees – Strengthen 1% (2022 – 1.7%)	(10)	(13)
Rupees – Weakens 1% (2022 – 1.7%)	10	13

ii) Interest rate risk

Interest rate risk is the risk where the Company is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of a changes in market interest rates.

The Company does not have any variable rate borrowings. There are some investments in fixed rate debt securities measured at fair value through profit or loss.

The Company is exposed to interest rate risk from investments held in units of the funds it manages. These funds invests in equity and debt securities. In case of equity investments the units are fairly backed by equity price risk rather than credit risk. The exposure to interest rate risk in case of units backed by debt securities is measured using sensitivity analysis as follows:

Particulars	Impact on profit after tax and equity	
	March 31, 2023	March 31, 2022
Interest rate – Increase 0.5% (2022 – 1%)	(38)	(125)
Interest rate – Decrease 0.5% (2022 – 1%)	38	125

iii) Price Risk

Price risk is the risk that the financial assets at fair value through profit or loss may fluctuate as a result of changes in market prices.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had changed by 8.7% (2022 -11%) with all other variables held constant, and that all the Company's investments moved in line with the index.

Particulars	Impact on profit after tax and equity	
	March 31, 2023	March 31, 2022
NSE Nifty 50 – increase 8.7% (2022 – 11%)	436	66
NSE Nifty 50 – decrease 8.7% (2022 – 11%)	(436)	(66)

Profit for the period would increase/decrease as a result of gains/losses on investments classified as at fair value through profit or loss.

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b) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from its investment transactions.

Credit risk is monitored on an ongoing basis by the Company in accordance with policies and procedures in place. the Company is exposed to credit risk from investments held in units of the funds it manages.These investments are measured at fair value through profit or loss. the Company has no significant concentration of credit risk.

The Company's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, security deposits, trade receivables, staff loans etc.

Staff loans and receivables have been considered to enjoy the low credit risk as they meet the following criteria:
i) they have a low risk of default,
ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
iii) the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfil its obligations.

The Company has placed security deposit with lessors for premises leased by the Company at various locations in India as at March 31, 2023 of Rs. 157 lakhs and March 31, 2022 of Rs. 74 lakhs. the Company does not perceive any significant decline in credit risk of the lessors where the amount of security deposit is material and hence expected probability of default is considered as zero.

Cash and cash equivalents, bank deposits are held with only high rated banks/financial institutions, credit risk on them is therefore insignificant.

Reconciliation of loss allowance provision – Trade receivables arising from contracts with customers

Particulars	Trade Receivables
Loss allowance on Mar 31, 2021	98
Changes in loss allowance	-
Loss allowance on Mar 31, 2022	**98**
Changes in loss allowance	-
Loss allowance on Mar 31, 2023	**98**

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	157	75
Staff loans	1	1
Receivables	5,960	2,339
Cash and cash equivalents	186	61

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. the Company believes that current cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since Company has no material external borrowings. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows and include estimated interest payment and exclude the impact of netting agreement as at the balance sheet date:

As at March 31, 2023	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	2,815	-	-	-	-	2,815
Other financial liabilities	96	-	9,054	-	-	9,150
Lease Liabilities	21	20	41	82	224	388
Total	**2,932**	**20**	**9,095**	**82**	**224**	**12,353**

As at March 31, 2022	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	940	-	-	-	-	940
Other financial liabilities	96	-	259	-	-	355
Total	**1,036**	**-**	**259**	**-**	**-**	**1,295**

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31 Capital Management

For the purpose of the Company's Capital Risk Management,"Capital" includes equity capital, securities premium and all other equity reserves attributable to the shareholders.the Company's objectives in managing its capital is to safeguard the ability to continue as a going concern, and to optimise its return to its shareholders.

The management of the Company's capital position is undertaken by the management team of the Company. The management team ensures that the Company is adequately capitalised to meet economic and regulatory requirements. The management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements. The management monitors the return on capital as well as the level of dividends to the shareholders. Please also refer Note 40 on Networth compliance.

32 Maturity analysis of assets and liabilities

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

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	186	-	186	61	-	61
Receivables						
(I) Trade receivables	5,960	-	5,960	2,339	-	2,339
Loan	158	-	158	76	-	76
Investments	6,955	21,148	28,103	16,489	2,070	18,559
Non-financial assets						
Current tax assets (Net)	-	1,510	1,510	-	1,100	1,100
Deferred tax assets (Net)	-	-	-	-	748	748
Property, plant and equipment	-	1,848	1,848	-	144	144
Right-of-use assets	-	300	300	-	-	-
Other intangible assets	-	308,346	308,346	-	14	14
Goodwill		108,074	108,074		-	-
Other non-financial assets	1,171	3,310	4,481	-	420	420
Total assets	**14,430**	**444,536**	**458,966**	**18,965**	**4,496**	**23,461**

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Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	137	-	137	6	-	6
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,678	-	2,678	934	-	934
Lease Liabilities	54	261	315	-	-	-
Other financial liabilities	9,150	-	9,150	355	-	355
Non-financial Liabilities						
Current tax liabilities (Net)	515	-	515	519	-	519
Provisions	163	1,271	1,434	74	450	524
Deferred tax liabilities (Net)	-	77,835	77,835			
Other non-financial liabilities	1,639	-	1,639	824	-	824
Total liabilities	**14,336**	**79,367**	**93,703**	**2,712**	**450**	**3,162**

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33 Contingent Liabilities

a) Direct tax matters disputed by the Company are Rs. 696 lakhs (March 31, 2022 : Rs. 663 lakhs)

b) Indirect tax matters disputed by the Company are Rs. 438 lakhs (March 31, 2022 : Rs. 225 lakhs)

34 Employee share based payments

a) HSBC Asset Management (India) Private Limited - Employee share based payment scheme (equity settled):

Restricted share plan represents restricted stock award granted to select high potential employees. Shares are awarded through Restricted Shares of HSBC Holdings Plc. At the end of the vesting period the shares awarded will be transferred to the employee provided the employee continues to be in employment. These restricted shares have been awarded to the employees.

Set out below is a summary of shares granted under the plan:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Number of shares	Number of shares
Outstanding at the beginning of period	11,406	10,393
Granted	4,128	5,834
Exercised	-	-
Released	(5,965)	(4,821)
Forfeited	(47)	-
Outstanding at the end of period	**9,522**	**11,406**

b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
HSBC Asset Management (India) Private Limited - Employees share based payment scheme (equity settled)	10	30
Total	**10**	**30**

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35 Earnings per equity share

The computation of basic and diluted earnings per share is given below:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic & Diluted earnings per share Net profit / loss after tax available for equity shareholders (A)	1,382	2,785
Weighted average number of equity shares outstanding for basic and diluted EPS (B)	161,547,916	61,590,908
Basic and Diluted earnings per share (A) / (B)	0.86	4.52
Nominal value per share	10	10

36 Investment in unconsolidated structured entities

The Company acts as the fund manager for HSBC Mutual Fund, and through its rights as a manager, has a significant involvement in decision-making over the funds' operations and activities. However, fund managers are subject to substantial restrictions under local laws and regulations including regulator's and trustees' oversight. the Company considers its decision making powers as a fund manager to be held in an 'agent' capacity. The accounting framework provides guidance to apply the agency concept only while assessing whether the fund is a subsidiary of the fund manager. Ind AS 28 does not provide guidance on how to apply the agency concept, while assessing significant influence. Accordingly, the Company assesses significant influence over managed funds by considering rights, restrictions etc., as required by Ind AS 28, but excluding decision-making powers held in its capacity as an 'agent' from such assessment, depending on facts and circumstances of each case.

The following tables show the income and carrying amount of the Company's recorded interest in the structured entities as well as the maximum exposure to risk due to these exposures in the unconsolidated structured entities and asset management activities:

Particulars	Asset Under Management of the scheme	
	As at March 31, 2023	As at March 31, 2022
Financial investments classified as FVTPL		
HSBC Mutual Fund - HSBC Short Duration Fund	361,269	25,322

The following table sets out an analysis of the carrying amounts of interests held by the Company in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in HSBC Short Duration Fund	4,209	4,247
Management Fees receivable	109	22
Total	**4,318**	**4,269**

As at March 31, 2023 there is no maximum exposure to loss is the carrying amount of the assets held.

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37 Related party disclosures

As per Ind AS 24 on 'Related Party Disclosure', the releated parties are as follows

Names of related parties and nature of relationship

1 **Holding Company**
HSBC Securities and Capital Markets (India) Private Limited
2 **Ultimate Holding Company**
HSBC Holdings PLC
3 **Fellow subsidiaries**
The Hong Kong and Shanghai Banking Corporation Limited - India Branches
HSBC Global Asset Management (Hong Kong) Limited
HSBC Software Development (India) Private Limited
HSBC Electronic Data Processing (India) Private Limited
HSBC Global Asset Management Limited
The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong
HSBC Global Asset Management (Singapore) Limited
HSBC Group Management Services Limited
HSBC Global Services Limited
HSBC Global Services (Hong Kong) Limited
HSBC Electronic Data Processing (Philippines), Inc.
HSBC Global Services (UK) Limited
4 **Subsidiary Company**
HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited) (w.e.f. 25th Nov, 2022)

5 **Key management personnel**
Mr. Ravi Menon (CEO & Director)
Mr. Dinesh Kumar Mittal (Director)
Dr. Indu Shahani (Director)
Mr. Kailash Kulkarni (CEO & Director) (w.e.f. 26th Nov, 2022)

(i) **Transactions during the year are as under:**

Particulars	with Holding Company	with Subsidiary Company	with fellow Subsidiaries	with Key Management Personnel
Advisory fees	- -	- -	4,013 (4,560)	- -
Managerial Remuneration ^	- -	- -	- -	465 (349)
Director's Sitting Fees	- -	- -	- -	20 (7)
Professional Fees and Expenses	4 (7)	- -	0 (2)	- -
Equity Infusion	343,631 -	- -	- -	- -
Support service charges	- -	- -	1,310 (682)	- -
Telephone, communication and postage	- -	- -	- (5)	- -
Rent	- -	- -	578 (377)	- -
Repairs and maintenance - Computers	20 (22)	- -	469 (184)	- -
Business Development Expenses	- -	- -	3 -	- -
Bank and Guarantee charges	- -	- -	1 (1)	- -
Staff Welfare	- -	- -	21 -	- -
Investment in Subsidiary	- -	10,384 -	- -	- -
Brokerage and incentives	- -	- -	220 (99)	- -

Amounts in brackets represents amount relating to previous year

^ The remuneration to the key managerial personnel does not include the provisions made for gratuity, leave encashment and incentives which are provided for group of employees on an overall basis.

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(All amounts in lakhs of Indian Rupees unless otherwise stated)

Key managerial remuneration compensation

Particulars	31-Mar-23	31-Mar-22
Short-term employee benefits	438	332
Post-employment benefits	17	10
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	10	7
Total	**465**	**349**

(ii) Outstanding balances at the year end with related parties:

Particulars	with Holding Companies	with Subsidiary Company	with fellow Subsidiaries	with Key Management Personnel
Assets				
Advisory fees receivable				
31-Mar-23	-	-	1,752	-
31-Mar-22	-	-	1,415	-
Deposit for premises				
31-Mar-23	-	-	74	-
31-Mar-22	-	-	74	-
Balances with banks				
31-Mar-23	-	-	179	-
31-Mar-22	-	-	59	-
Liabilities				
Trade Payables				
31-Mar-23	2	-	540	-
31-Mar-22	8	-	389	-
Payable to Subsidiary				
31-Mar-23	-	8,562	-	
31-Mar-22	-	-	-	
Payable to KMP				
31-Mar-23	-	-	-	1
31-Mar-22	-	-	-	-
Rent & Utilities				
31-Mar-23	-	-	10	-
31-Mar-22	-	-	73	-

38 Segment information

The Company is domiciled in India. the Company is engaged in business of providing asset management sevices, which is considered to be only reportable segment (in accordance with Ind AS 108)

a) Segment revenue

The Company operates as a single segment. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Segment revenue		
- India	21,738	11,268
- Outside India	-	-
Total	**21,738**	**11,268**

There are two customers (Previous year - two customers) contributing in excess of 10% of the total revenue for the Company.

b) Segment assets and segment liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Segment assets - India	458,966	23,461
Segment liabilities - India	93,703	3,162

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39 Business Combination

Acquisition of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)
On November 25, 2022, the Company acquired 100% shares of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited ("LTIM")) post all necessary regulatory approvals were obtained. With this, the Company became 100% owner of LTIM. The acquisition was made to increase the Company's presence in asset management industry through inorganic growth.

The transaction was subject to approval of Securities and Exchange Board of India ("SEBI"). As a part of its approval, SEBI required LTIM to cease acting as an asset management company and surrender its approval to act as an asset management company.

Immediately upon acquisition, with a view to maintain simple corporate structure, enable direct control over the undertaking of LTIM and eliminate duplicative corporate procedures, the board of directors of the Company and LTIM approved the corporate merger of two entities to take place with effect from appointed date (i.e start of business hours on November 25, 2022) as defined in the scheme of merger. The scheme of merger ("the scheme") was submitted by the Company for approval of Hon'ble National Company Law Tribunal (Mumbai bench) ("NCLT"). NCLT heard the merger application on August 24, 2023 and reserved the matter for pronouncement of order

Further to run the mutual fund schemes operated by L&T Mutual fund, pending approval of the scheme of merger, LTIM undertaking was acquired by the Company on a going concern basis through an agreement dated November 25, 2022.

Together all these transaction constitute "Business Combination" as per Ind AS 103.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration:

Particular	Amount
Cash Consideration paid to selling shareholder of LTIM (A)	348,544
Consideration payable to LTIM for business transfer (B)	8,700
Total purchase consideration	**357,244**

The assets and liabilities recognised as a result of the acquisition at acquisition date fair value:

Particular	Amount
Cash	1,818
Plan Asset (Net)	30
Investments in Mutual Funds	8,118
Indefinite-lived Intangible assets: Asset Management Rights	308,200
Current tax assets*	1,684
Trade payables	(1,812)
Deferred Tax Liability	(77,568)
Net assets acquired excluding goodwill (C)	**240,470**
Goodwill (A-C)	108,074
Total net assets acquired	**348,544**
Receivable by LTIM from the Company	8,700
Total purchase consideration	**357,244**

*Current tax assets were not transferred pursuant to agreement dated November 25, 2022.

The goodwill is attributable to the assembled workforce, distribution network and the high profitability of the acquired business and will not be deductible for tax purposes.

Revenue and profit contribution –

The acquired business contributed revenues and profits to the Company for the period 31 March 2023 as follows:

(a) LTIM: Post acquisition, the schemes managed by LTIM and the Company were merged and accordingly the disclosure of post-acquisition revenue and profit attributable to LTIM business is impracticable.

If the acquisitions had occurred on April 1, 2022, consolidated pro-forma revenue and profit for the year ended 31 March 2023 would have been higher by Rs. 22,955 lakhs and Rs.9,938 lakhs respectively. These amounts have been calculated using the LTIM's audited results for the period April 01, 2022 till November 25, 2022 after adjusting for accounting policy differences and additional depreciation and amortisation based on fair values of Property, plant and equipments and intangibles, if any.

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(b) Purchase consideration – cash outflow

Particular	Amount
Outflow of cash to acquire business, net of cash acquired	
Cash consideration	348,544
Less: Cash acquired during business combination	1,818
Net outflow of cash – investing activities	**346,726**

Acquisition-related costs

Acquisition-related costs of Rs. 1391 lakhs that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

40 Networth Compliance

The Company has recognised certain indefinite-lived intangible assets (asset management rights or AMR) as part of business combination as per the principles of Ind AS 103, Business Combinations. This has resulted in recognition of deferred tax liability (DTL) of INR 77,568 lakhs in accordance with Ind-AS 12 – Income taxes. The recognition of DTL has also led to an increase in goodwill by INR 77,568 lakhs to Rs. 108,074 lakhs. Also refer to business combination related disclosure in Note 39.

As per the definition of networth under Regulation 2(qa) of SEBI (Mutual Funds) Regulations, 1996 all intangible assets need to be deducted in arriving at the net worth of the company for SEBI regulations purposes. Please refer table below for details of this computation.

The additional DTL recorded of INR 77,568 lakhs arises entirely as a result of the gross carrying value of AMR and is inseparably linked to it and hence in Company's view the intangibles should be netted off with associated DTL while calculating networth as per the MF Regulations.

The Company has made a detailed written representation to SEBI, to take cognizance of the networth computation of the Company as per this approach including appropriate mitigation measures to be taken by the Company, if requested by SEBI, to meet the minimum networth requirements vide its letter dated September 20, 2023. SEBI has taken our submission on record vide its letter dated September 26 2023.

The networth position is as under as on 31 March 2023:

Computation of Net Worth per SEBI Regulations	Amount in INR Lakhs
Paid Up Capital	34,441
Add: Free Reserves (excluding reserves created out of revaluation)	14,452
Add: Share premium account	315,470
Total (1) – Share Capital & Reserves as at 31 March 2023	**364,363**
Less: Miscellaneous expenditure to the extent not written off or adjusted or deferred revenue expenditure	-
Less: Accumulated losses	-
Less: Intangible assets	
Asset Management Rights	(308,200)
Goodwill (including incremental goodwill of INR 77,568 lakhs arising on recognition of DTL on AMR described above)	(108,074)
Total (2) – Deductions	**(416,274)**
Networth as per the SEBI (Mutual Fund) Regulations	**(51,911)**
Add: Incremental deferred tax liability adjusted based on submissions to SEBI	77,568
Adjusted Networth	**25,657**

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Notes to the financial statements for the year ended March 31, 2023 (Continued)

41 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 group (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

B On 17 November 2022, the Company sent the Letter of Offer inviting its existing shareholders to subscribe to further issue by way of right shares ('issue') for 326,431,802 Equity Shares at an issue price of INR 121.50 per share on the basis of 53 equity shares for every 10 fully paid equity shares held in the Company (Refer Note 19).
(i) The details of investment are as follows:

(a) Date of funds received	November 23, 2022
(b) Amount	Rs. 343,631
(c) Complete details of Funding Party	
Name	HSBC Securities and Capital Markets (India) Private Limited
Address	52/60, Mahatma Gandhi Road, Fort, NA Mumbai MH 400001 IN
Relationship with AMIN	Holding Company

(d) For details of further investment, refer to Note 39
(ii) the Company has not provided any guarantee, security or the like, to or on behalf of the Ultimate Beneficiaries
(iii) the Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 and are not in violation of Prevention of Money-Laundering Act, 2002 (15 of 2003).

(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 cypto 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 assetss) 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.

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(xiii) Loans or advances to any key management personnel

The Company has not given any loan / advance to any key management personnel or its relatives.

(xiv) Financial Ratios

The Company is in the business of providing Asset Management Services, financial ratios such as Capital to risk-weighted assets ratio ('CRAR') and Liquidity Coverage Ratio are not applicable.

For Price Waterhouse Chartered Accountai
Firm Registration No: 012754N/N500016

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: September 27, 2023

For and on behalf of the Board of Director
HSBC Asset Management (India) Private Lin

Dr Indu Shahani
~~**Dr Indu Shahani**~~
[illegible]
DIN No: [illegible]

Kailash Kulkarni
Director & CEO
DIN No: 07242982

Sneha Shetty
Company Secretary
ACS 32038

Place : Mumbai
Date: September 27, 2023