

Directors' Report

The Members

HSBC Securities and Capital Markets (India) Private Limited

The Directors of your Company submit their report along with the Audited Financial Statements for the Financial Year (FY) ended 31 March 2024.

1) FINANCIAL HIGHLIGHTS

The consolidated financial performance of your Company along with its Subsidiaries and the standalone performance of your Company for FY 2023-24 are summarized below:

Particulars	INR in lakhs			
	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Total Income	45,874	22,401	96,803	52,826
Total Expenses	27,547	20,819	63,427	43,353
Profit before tax	18,327	1,582	33,376	9,473
Less: Provision for Tax (including Current and Deferred tax)	1,088	739	6,921	4,666
Profit after tax	17,239	843	26,455	4,807

2) BUSINESS OPERATIONS

A) EQUITIES:

For the FY 2023-24, your Company did not have any impact of Covid on the business and with the addition of new members in sales and sales-trading the business is gaining momentum. Your Company continues to execute the strategy in line with the HSBC Group and Markets & Securities Services (MSS) objectives to deliver strong business performance in India. The HSBC Group remains committed to investments in the sales trading platform which will help your Company to grow the trading volumes and revenues, thus capturing more market share. Given that business travel had resumed, your Company could do bespoke roadshows for key clients strengthening business relationship with them and showcase the strength of the HSBC Group across all verticals. Your Company continues to push the new and existing clients to improve ranks in the research advisory business and thus, grow the business of your Company.

B) INVESTMENT BANKING:

During the FY23-24, your company successfully completed several transactions across IPOs and QIPs. Some of marquee IPO deals included US\$237mn IPO of R R Kabel, US\$337mn IPO of JSW Infrastructure, US\$389mn IPO of Nexus Select Trust.

HSBC continued its dominance in leading Indian QIPs transactions, having executed 5 transactions (only foreign bank on all deals). Key QIP deals included US\$120mn QIP for Blue Star, US\$480mn QIP for Cholamandalam Investment and Finance, US\$85mn QIP for Titagarh, US\$80mn QIP for India Grid Trust and US\$110mn QIP for RHI Magnesita India

FY 2023–24 was an impressive year for the advisory business in India. The team successfully closed the following transactions in the year and continued to support core clients across products and sectors.

- In April 2023, we announced the investment by Mubadala into Cube Highways Trust for a 6% stake – HSBC was the buy-side advisor to Mubadala on this transaction.
- HSBC also was the co-financial advisor to HDFC Bank on its merger with HDFC Limited.
- Your company was the financial advisor to E-18 Ltd and provided fairness opinion on the merger of E-18 with Network 18.
- Your company was also the financial advisor to Viacom 18 and provided fairness opinion on the merger of Viacom 18 with Star India.

These transactions underline Your Company's strong advisory practice in India with unparalleled knowledge of sector dynamics and a strong track record with investors.

3) OUTLOOK – 2024-25

A) EQUITIES:

In a challenging global macro environment, India stands out, offering a combination of strong Gross Domestic Product (GDP) growth and resilient earnings growth outlook. Also, with the interest rates peaking, your Company sees continued interest in equity capital markets for the FY 2024-25. Given the optimism around capital markets, your Company with investments in trading, sales and research will look to improve ranks across key clients and grow the business. This would lead to increase in the market share and growth in profitability of the Company.

B) INVESTMENT BANKING:

India Equity Capital Market volumes stood at c.US\$29bn for FY2023-24, saw a sizeable increase (up almost 55%) from FY2022-23 deal volumes. Markets remained buoyant as we saw issuers tap primary markets via IPOs and QIPs, to meet their additional capital requirement buffer to support their growth plans and enhance their business. Secondary markets continued to remain active as global strategics, private equity funds and Indian promoter/controlling family groups monetized stake given underlying secondary market performance.

We have a healthy pipeline of IPOs with DRHP filed with SEBI, including the IPO of Hyundai Motor India Limited. Other marquee global multinational companies with Indian subsidiaries, enjoying a significant market share, are actively looking to tap into the Indian capital markets to unlock value from their Indian operations. We are also advising new economy companies for private placements which will help us in diversifying our product offerings as well as creating pipeline for public capital raises in the future.

India markets trade close to all-time highs driven by favorable factors - policy continuity, India becoming important part of the global supply chain, consumption by increasing middle class as well as uptick in rural demand, deeper liquidity and attractive valuations. We expect momentum in capital markets activity to continue for FY24-25 across IPOs, QIPs, block transactions. Robust investor response to recent issues backed by strong inflows from both FIIs & domestic institutions are clear indicators that investor appetite remains intact for companies with strong fundamentals.

The advisory practice continues to see increased momentum in FY 2024-25. In April 2024, we successfully helped L&T close the sale of its roads asset platform L&T IDPL to Edelweiss (Sekura) (US\$340mn for 100% deal value). Your Company has a healthy pipeline of ongoing transactions and active situations. Deal activity into the next year is driven by positive macroeconomic trends such as inbound FDI and FII capital and increased private equity activity and strategic interest in India.

4) DIVIDEND

The Board does not recommend any dividend for the FY 2023-24.

5) SHARE CAPITAL

EQUITY SHARES

During the FY 2022-23 the Company had offered and issued 137,312,511 (Thirteen Crores Seventy-Three Lakhs Twelve Thousand Five Hundred and Eleven) equity shares on a private placement basis out of which 11,90,17,586 (Eleven Crore Ninety Lakhs Seventeen Thousand Five Hundred Eighty-Six) equity shares were subscribed. 18,294,925 (One Crore Eighty-Two Lakhs Ninety-Four Thousand Nine Hundred Twenty-Five) equity shares were issued but not subscribed during the offer period.

Members at their Annual General Meeting (AGM) held on 29 September 2023 had approved to cancel unsubscribed 18,294,925 (One Crore Eighty-Two Lakhs Ninety-Four Thousand Nine Hundred Twenty-Five) equity shares and the said shares were added back to the authorised share capital of the Company available to the Board of Directors for further issue.

6) APPROPRIATIONS

Your Company does not propose to transfer any amount to reserves. An amount of INR 17,239 lakhs is proposed to be retained in the Profit and Loss.

7) BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

BOARD OF DIRECTORS AS ON 31 MARCH 2024

S. No.	Name	Designation
1	Amitabh Malhotra	Director (Non-Executive)
2	Anita Mishra	Director (Non-Executive)
3	Brij Bhushan	Wholetime Director
4	Mudit Tayal	Wholetime Director
5	Yogesh Aggarwal	Wholetime Director

During the FY 2023-24 there was no change in the Board of Directors.

MANAGERIAL PERSONNEL AS ON 31 MARCH 2024

S. No.	Name	Designation
1	Saurabh Gupta	Wholetime Company Secretary

During the FY 2023-24 your Company did not appoint any Key Managerial Personnel.

BOARD OF DIRECTORS

During the FY 2023-24, meetings of the Board of Directors of your Company were held on the following dates:

S. No.	Date of Board Meeting	Director's present
1	10 July 2023	Amitabh Malhotra Anita Mishra Brij Bhushan Yogesh Aggarwal
2	22 September 2023	Anita Mishra Brij Bhushan Mudit Tayal Yogesh Aggarwal
3	29 September 2023	Amitabh Malhotra Brij Bhushan Mudit Tayal
4	12 December 2023	Amitabh Malhotra Anita Mishra Brij Bhushan Mudit Tayal
5	19 March 2024	Amitabh Malhotra Brij Bhushan Mudit Tayal

8) COMMITTEE OF DIRECTORS

During the FY 2023-24, meetings of the Committee of Directors of your Company was held on the following date:

S. No.	Date of Meeting	Members present
1	19 March 2024	Brij Bhushan Mudit Tayal

9) CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Committee of your Company consists of three Directors viz., Brij Bhushan, Chairman, Mudit Tayal, and Yogesh Aggarwal as its Members as on 31 March 2024.

During the FY 2023-24, your Company engaged Concern India Foundation as an Implementing Agency and had spent INR 8,700,000 (Rupees Eighty-Seven Lakhs Only) towards the project titled "Solar energy based solution in Municipal Schools at Mumbai". Your Company has framed its CSR Policy the details of which are given in **Annexure A**. Annual Report on CSR is attached as **Annexure B**.



During FY 2023-24, meeting of the Corporate Social Responsibility (CSR) Committee of was held on the following date:

S. No.	Date	Members present
1	13 September 2023	Brij Bhushan Mudit Tayal

10) MEMBERS MEETING

During the FY 2023-24, Members meetings were held on the following dates:

S. No.	Date of General Meeting	Type of meeting
1	29 September 2023	Annual General Meeting
2	15 January 2024	Extra-ordinary General Meeting

11) SUBSIDIARIES

As on 31 March 2024, your Company has 3 direct subsidiaries and 2 indirect subsidiaries.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the financial statements of your Company's subsidiaries is attached to the Financial Statements.

A) HSBC ASSET MANAGEMENT (INDIA) PRIVATE LIMITED (AMIN)

INR in lakhs

Particulars	Standalone	
	2023-24	2022-23
Total Income	51,132	22,055
Total Expense	27,394	18,207
Profit before tax	23,738	3,848
Less: Provision for Tax (including Current and Deferred tax)	4,428	2,466
Profit after tax	19,310	1,382

AMIN is an asset manager to HSBC Mutual Fund schemes. It also offers the Portfolio Management (PMS) services and Advisory services. The management of AMIN has not declared any dividend for the year.

B) HSBC CONSULTANCY SERVICES (INDIA) LIMITED (FORMERLY KNOWN AS L&T INVESTMENT MANAGEMENT LIMITED)

Rs. lakhs

Particulars	Standalone	
	2023-24	2022-23
Total Income	-	425
Total Expense	-	138
Profit before tax	-	287
Less: Provision for Tax (including Current and Deferred tax)	-	392
Loss after tax	-	(105)

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HSBC Securities and Capital Markets (India) Private Limited

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Telephone: 022-2268 1208 email: saurabh.shankarlal.gupta@hsbc.co.in

Website: <https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market?v222>

CIN No.: U67120MH1994PTC081575

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited), was merged with AMIN w.e.f., 16 October 2023.

C) HSBC INVESTDIRECT (INDIA) PRIVATE LIMITED (HIDL)

INR in lakhs

Particulars	Standalone	
	2023-24	2022-23
Total Income	1,489	1,222
Total Expense	201	266
Net profit after tax	1,288	955
Less: Provision for Tax (including Current and Deferred tax)	344	245
Profit after tax	944	710

HIDL is non-operative holding company. The management of HIDL has not declared any dividend for the year.

D) HSBC INVESTDIRECT SECURITIES (INDIA) PRIVATE LIMITED (HISL)

INR lakhs

Particulars	Standalone	
	2023-24	2022-23
Total Income	19	18
Total Expense	50	47
Loss before tax	(31)	(28)
Less: Provision for Tax (including Current and Deferred tax)	14	2
Loss after tax	(44)	(30)

HISL has discontinued its business operations in 2014. Accordingly, the financial statements of HISL have not been prepared under the going concern basis. Hence, all assets and liabilities have been classified on management's assessment and stated at their realisable values. The management of HISL has not declared any dividend for the year.

E) HSBC INVESTDIRECT FINANCIAL SERVICES (INDIA) LIMITED (HIFSL)

INR lakhs

Particulars	Standalone	
	2023-24	2022-23
Total Income	14,249	8,196
Total Expense	9,972	4,987
Profit before tax	4,278	3,209
Less: Provision for Tax (including Current and Deferred tax)	1,049	831
Profit after tax	3,229	2,378
Loan Book at year end 31 Mar	181,822	114,711

HIFSL is a Non-Banking Finance Company (NBFC) engaged in securities related financing. The management of HIFSL has not declared any dividend for the year.

F) HSBC INVESTDIRECT SALES & MARKETING (INDIA) LIMITED (HISML)

INR lakhs

Particulars	Standalone	
	2023-24	2022-23
Total Income	11	7
Total Expense	7	4
Profit before tax	5	3
Less: Provision for Tax (including Current and Deferred tax)	1	(4)
Profit after tax	4	7

HISML has discontinued its business operations in the earlier years and accordingly, the financial statements for FY ended 31 March 2024, have not been prepared under the going concern assumption and all assets and liabilities have been stated at their estimated realizable value. The management of HISML has not declared any dividend for the year.

G) HSBC TRUSTEES (INDIA) PRIVATE LIMITED (HTIP)

INR lakhs

Particulars	Standalone	
	2023-24	2022-23
Total Income	12	NA
Total Expense	6	
Profit before tax	6	
Less: Provision for Tax (including Current and Deferred tax)	1	
Profit after tax	5	

HTIP acts as a trustee for mutual funds, alternative investment funds, unit trusts, etc. The management of HTIP has not declared any dividend for the year.

Details of subsidiaries in Form AOC – 1, is attached as **Annexure C**.

12) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the Management, the Directors state that:

- i. that the applicable accounting standard have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31 March 2024 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis; and
- v. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13) LOANS, GUARANTEES OR INVESTMENTS

During the FY 2023-24 there were no loans and guarantees provided by your Company. Details of investments are given in the notes to the Financial Statements.

14) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188

During FY 2023-24, there were no new contracts with the related parties entered by your Company.

15) COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with all the applicable Secretarial Standards.

16) ADEQUACY OF INTERNAL FINANCIAL CONTROL

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the reliable financial disclosures. This framework provides adequate financial controls with reference to financial statements commensurate with the business and operations of the Company.

17) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

No reporting in respect of conservation of energy and technology absorption is required for your Company's Stockbroking and Investment Banking business.

18) RISK MANAGEMENT POLICY

The Company has adopted a risk management and internal control structure, referred to as the Three Lines of Defence (LOD) framework, to ensure it achieves its commercial objectives while meeting regulatory and legal requirements and its responsibilities to shareholders, customers and staff.

1st LOD: Comprises predominately of management of businesses that owns the risks and is responsible for identifying, recording, reporting and managing them in line with the risk appetite, and ensuring that the right controls and assessments are in place to mitigate them.

2nd LOD: Comprises of governance Functions that review and challenge the 1st LOD on effective risk management, and provides advice and guidance to the 1st LOD to ensure it is managing risk effectively.

3rd LOD: Global Internal Audit which provides independent assurance to management that our risk management, governance and internal control processes are designed and operating effectively.

Risk management is an integral part of the way the company does its business the Company adheres to the Group Risk Management Framework and related policies and guidance. The risk management matters are reviewed on a monthly basis in a local Risk Management Meeting (RMM), chaired by Director Risk & Services, across all risks and control areas.

19) DEPOSITS

During FY 2023-24, your Company has not accepted any deposits from the public or employees.

20) MATERIAL CHANGES AND COMMITMENT

There were no material changes and commitments, affecting the financial position of your Company which has occurred after the expiry of the FY 2023-24 to the date of the Directors Report.

21) CHANGE IN THE NATURE OF BUSINESS

During the FY 2023-24, there was no change in the nature of the business of your Company.

22) SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

23) STATUTORY AUDITOR AND AUDITOR'S REPORT

The statutory auditor, Price Waterhouse Chartered Accountants LLP (PWC) (Firm Registration No. F012754N/N500016), Mumbai, has been re-appointed as an auditor, in Twenty Fifth Annual General Meeting held on 22 September 2020, for a period of five years i.e., till the conclusion of Annual General Meeting of the Company to be held in 2025. Further, the auditor's report does not contain any qualification, reservation, or adverse remarks.

24) FRAUDS REPORTED BY STATUTORY AUDITOR

The statutory auditor have not reported any offence of fraud which is being or has been committed in your Company by its officers or employees to the Board of Directors as required under section 143(12) of the Companies Act, 2013.

25) COST RECORDS

As your Company is not a manufacturing unit, it is not required to maintain cost records as required under Companies Act, 2013.

26) CORPORATE PHILOSOPHY AND COMPLIANCE

Your Company firmly believes that strong corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and the reputation of your Company. To ensure transparency, fairness and objectivity in the organization's functioning and unquestioned integrity of all personnel involved, your Company has proactively adopted best practices with regard to corporate governance and compliance.

27) INTERNAL COMPLAINTS COMMITTEE

Your Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation and intimidation. Accordingly, your Company has in place a Policy for Prohibition, Prevention, & Redressal of Sexual Harassment of Women at the Workplace and an Internal Complaints Committee to redress complaints received regarding sexual harassment. During the FY 2023-24, no complaints were received.

28) INSOLVENCY AND BANKRUPTCY CODE ORDERS

There was no application made or order passed against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016).

29) VALUATION

During the FY 2023-24 your Company was not required to undertake any valuation of the Company.

30) VIGIL MECHANISM

Your Company had voluntarily adopted a vigil mechanism for its Directors and employees to report their genuine concerns or grievances.

31) INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company was not required to make any transfer of dividend or shares to IEPF for the FY 2023-24.

32) ANNUAL RETURN

Annual return is placed on the website of the company, web-link - <https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market?v222>.

1) HUMAN RESOURCES

Your Company recognises people as its most valuable asset, and it has built an open and transparent culture to nurture this asset. Your Company had 106 permanent employees on the rolls of your Company as on 31 March 2024.

2) INTERNAL AUDIT

The internal audit for the FY 2023-24 was conducted by the B. K. Khare & Company, Chartered Accountants, and the report was placed before the Board of Directors of the Company. Further, the report does not contain any qualification, reservation or adverse remarks.

3) CAUTIONARY STATEMENTS

Certain statements in the Report describing your Company's objectives and predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward- looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact your Company's business as well as its ability to implement the strategy. Your Company does not undertake to update these statements.

4) ACKNOWLEDGEMENTS

Your Company maintained cordial relationships with Regulatory Authorities, Banks, and customers during the year under review.

The Directors are grateful for the support extended by them and looking forward to receiving their continued support and encouragement.

**For and on behalf of the Board of Directors
HSBC Securities and Capital Markets (India) Private Limited**

Sd/-

**Brij Bhushan
Whotetime Director
DIN: 09288911**

Sd/-

**Mudit Tayal
Wholetime Director
DIN: 07769502**

Place: Mumbai**Date: 13 August 2024**

HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED**CORPORATE SOCIAL RESPONSIBILITY POLICY****BACKGROUND**

On 27 February 2014 the Ministry of Corporate Affairs notified Section 135 and Schedule VII of the Companies Act 2013 (2013 Act) as well as the provisions of the Companies (Corporate Social Responsibility Policy - CSR) Rules, 2014, to come into effect from April 1, 2014.

With effect from April 1, 2014, any company, private limited or public limited, which either has a net worth of INR 500 crore or more; or a turnover of INR 1,000 crore or more; or net profit of INR 5 crore or more, during the immediately preceding financial year, needs to spend at least 2% of its average net profit (PBT) for the immediately preceding three financial years on corporate social responsibility programme/ projects.

CSR programme/ projects must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act. As per the Rules an eligible company should formulate a CSR Policy and upload the same on the company's website.

To formulate and monitor the CSR policy of a company, a CSR Committee of the Company needs to be constituted. Section 135 of the 2013 Act requires the CSR Committee to consist of at least three directors, including an independent director.

This would mean **HSBC Securities and Capital Markets (India) Private Limited (HSCI)**, will, from 1 April 2014, be required to comply with the Rules.

ORGANISATIONAL STRUCTURE

The CSR Committee of HSBC Securities and Capital Markets (India) Private Limited, India will comprise of at least three members of Board. The Committee is to meet at once annually, or such intervals as may be necessary.

The Committee responsibilities are:

- To formulate and recommend the CSR policy to Board
- To recommend the amount of expenditure to be incurred
- To execute the CSR Policy recommending CSR programme/ projects and monitoring CSR spends
- To prepare a transparent monitoring mechanism
- To periodically monitor the implementation of the CSR policy

The Board of Directors is to decide and approve CSR programme/ projects as recommended by the CSR Committee.

PURPOSE OF THE POLICY

To demonstrate HSBC Securities and Capital Markets (India) Private Limited., India's commitment to corporate social responsibility by contributing to the economic and social development of the communities on which HSBC India's success depends and safeguarding



the environment. This Policy has been produced to ensure that in all matters related to Corporate Social Responsibility, HSCI operates on a consistent, compliant basis.

The Policy is applicable to all members of HSBC in India

CORPORATE SOCIAL RESPONSIBILITY POLICY

HSBC Securities and Capital Markets (India) Private Limited., India is committed to Corporate Social Responsibility (CSR) and demonstrates this by contributing to the economic and social development of the communities and safeguarding the environment. While these two components are universal and will be at the centre of most sustainability initiatives, there are various components which make up this huge canvas. HSCI's community investments (CI) are focused on two core themes:

1. Promoting Education
2. Environmental Sustainability

Within Promoting Education our focus is particularly on:

- Disadvantaged young people particularly at primary and secondary education levels
- Employment enhancing vocational skills
- Livelihoods enhancement projects
- Empowering women
- Language and cultural understanding

Within the Environmental Sustainability our focus is particularly on:

- Freshwater sustainability
- Access to safe water
- Water and sanitation
- Climate change
- Conservation of terrestrial biodiversity and habitats (e.g. forests) (ecological balance, protection of flora and fauna)

COMMUNITY INVESTMENT

Selection of Beneficiary Projects and Organisations

The HSCI Board of Directors (referred as Board hereafter) are responsible for the development and funding of programmes/projects - that support communities in which they operate; and are in adherence to the provisions of the Companies Act, 2013 (2013 Act) and the CSR Rules there under.

HSCI will undertake such CSR programmes/projects as approved by the Board and as recommended by the CSR Committee. The Board should approve the following:

- 1) Annual budget for CSR programme/ projects
- 2) List of CSR activities, modalities of execution and implementation schedules
- 3) Monitoring process of such CSR programme/ projects

The Board will ensure that any unspent/unutilised CSR budget of a particular year will not form part of the business profit of the organisation.

The Board will ensure programme/project selection is made after a sensible assessment of the prospective beneficiaries' standing, that potential risks have been identified and the relationship is aligned with HSCI's CSR focus.

Community investments should bring a lasting benefit to local communities, motivate staff through opportunities for direct voluntary involvement and, focus primarily on promoting education or environmental sustainability.

While supporting Environmental Sustainability, environmental initiatives can be aligned to the HSBC Group's flagship programmes (e.g. The HSBC Water Programme).

The CSR Committee will adhere to the due diligence guidelines and undertake due diligence appropriate to the size and nature of the proposed relationship when electing to partner with an NGO. Due consideration will also be given to whether it is appropriate to formalise the prospective arrangement in documentation (i.e. Memorandum of Understanding).

All CSR projects should:

- Reflect the key themes of educational and environmental support
- Have clear objectives and measurable impact
- Bring a lasting benefit to the community
- Be capable of evidencing HSBC's commitment to the community
- Allow for staff engagement through volunteering where possible or appropriate

Community Investments should normally avoid the following:

- Sponsorship of individuals
- Organisations that serve a limited or restricted membership (e.g. clubs, unions, etc.)
- Sporting events or sports teams
- Organisations that primarily or largely exist to develop the furtherance of faith-based issues
- Payments of salaries. Where large, long-term community investments are made it is accepted that part of the support may cover the costs of staff, but this should not normally be the primary reason, nor form a major part of the community investment
- The construction of buildings
- The purchase of land or property
- Zoological parks should not normally receive funding for captive conservation projects. However, they may be considered where the activity undertaken is primarily educational in nature
- The endowment of university chairs or development programmes

Governance of Community Investments and Disbursement of Funds

HSCI will establish appropriate, transparent mechanisms for the management of community investments. The following process will be followed for making a community investment:



- Check request for funding against HSCI's focus area
- Conduct Due Diligence
- Request for Proposal
- Evaluate Proposal
- Maker–Checker process
- Submit Recommendations to the Board for approval
- On approval disburse the amount to the partner organisation
- Make field visits, if required

To ensure that decisions over the disbursement of community investment funding are subject to appropriate management control, to facilitate consistency with the objectives of the business as a whole, compliance with appropriate tax and other legal and regulatory obligations, including the UK Bribery Act 2010, and ensure relevance to genuine community needs - all disbursements should be through members of the CSR Committee or such other person authorized by the Board, who have read and understood the policy.

Avoiding conflict of interest

Potential conflict of interest that may arise when a member of the Board or the CSR Committee or CSR Function has a direct interest in a not-for-profit organisation in question, must be avoided. Such conflict of interest should be avoided by a declaration of interest by the concerned individual to the Board.

Where HSBC executives join the Board of a not-for-profit to improve the governance and oversight over its activities, they should absent themselves from any decision to fund the organisation.

Requests made by customers to provide fund support to not-for-profits should be refused. Similarly, community investments should not be made in order to maintain or enhance any customer relationship.

Monitoring & Reporting

The CSR Committee is responsible to gather information on the social and environmental impact of programmes and projects undertaken. 'Output' and 'impact' measures will be monitored for all major programmes and projects. The CSR Committee will ensure that the nonprofit partners monitor and report on the outputs and impacts of their projects. Projects will be monitored through - half yearly progress report, annual report along with fund utilisation report (as per format approved by the Board) and field visits of programmes/projects.

The Board will ensure that all activities are reported at the end of each financial year (starting 2015) as required under provision of the 2013 Act.

HSBC Employee Engagement

Engaging employees in community investment programmes is an opportunity to ensure that our investments are maximised, that HSBC staff are present to monitor progress, and to see that funds contributed are used for the purpose for which they have been given.



Each global business and function should offer a minimum of one-day paid employee volunteer leave per year and establish policies and programmes which guide and support employees wishing to contribute to projects in their local community.

General

In case of any doubt with regard to any provision of the CSR Policy and also in respect of matters not covered herein, a reference should be made to the Board. In all such matters, the interpretation and decision of the Board will be final.

Any or all provisions of the CSR Policy will be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Board reserves the right to modify, cancel, add or amend the CSR Policy.

**For and on behalf of the Board of Directors
HSBC Securities and Capital Markets (India) Private Limited**

Sd/-

**Brij Bhushan
Whotetime Director
DIN: 09288911**

**Place: Mumbai
Date: 13 August 2024**

Sd/-

**Mudit Tayal
Wholetime Director
DIN: 07769502**

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2023-24**1) Brief outline on CSR Policy of the Company.**

HSBC Securities and Capital Markets (India) Private Limited. (HSCI) is committed to Corporate Social Responsibility (CSR) and demonstrates this by contributing to the economic and social development of the communities and safeguarding the environment. While these two components are universal and will be at the center of most sustainability initiatives, there are various components which make up this huge canvas. The Company's community investments (CI) are focused on two core themes:

1. Promoting Education
2. Environmental Sustainability

Within Promoting Education focus is particularly on:

- Disadvantaged young people particularly at primary and secondary education levels
- Employment enhancing vocational skills
- Livelihoods enhancement projects
- Empowering women
- Language and cultural understanding

Within the Environmental Sustainability focus is particularly on:

- Freshwater sustainability
- Access to safe water
- Water and sanitation
- Climate change
- Conservation of terrestrial biodiversity and habitats (e.g. forests) (ecological balance, protection of flora and fauna)

2) Composition of CSR Committee: -

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Brij Bhushan*	Chairperson [Wholetime Director]	1	1
2	Mudit Tayal	Member [Wholetime Director]	1	1
3	Yogesh Aggarwal	Member [Wholetime Director]	1	0

**Notes: Brij Bhushan was appointed as Chairperson for the meeting held during the financial year.*

- 3) **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – <https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market?v222>.**
- 4) **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable –**
- 5) (a) Average net profit of the company as per section 135(5) - INR 434,205,333
- (b) Two percent of average net profit of the company as per section 135(5) - INR 8,700,000
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil
- (d) Amount required to be set off for the financial year, if any - Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - INR 8,700,000

- 6) (a) Amount spent on CSR Projects (~~both Ongoing Project and~~ other than Ongoing Project) - INR 8,700,000
- (b) Amount spent in Administrative Overheads - Nil
- (c) Amount spent on Impact Assessment, if applicable - Nil
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - INR 8,700,000
- (e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
INR 8,700,000	NIL				

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	8,700,000
(ii)	Total amount spent for the Financial Year	8,700,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years – Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to a fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs).	Date of transfer.		
Nil									

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:
 Yes No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Short particulars of the property or asset(s) [including complete address and location of the property]	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NIL							



- 9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) –
Not applicable

For and on behalf of the Board of Directors
HSBC Securities and Capital Markets (India) Private Limited

Sd/-

Brij Bhushan
Whotetime Director and Chairperson of CSR Committee
DIN: 09288911

Place: Mumbai
Date: 13 August 2024

FORM NO. AOC – 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR lakhs)

1)	Sl. No.	1	2	3	4	5	6	7
2)	Name of the subsidiary	HSBC Asset Management (India) Private Limited (AMIN)	HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited) #	HSBC InvestDirect (India) Private Limited (HIDL)	HSBC InvestDirect Financial Services (India) Limited (HIFSL)	HSBC InvestDirect Sales and Marketing (India) Limited (HISML)	HSBC InvestDirect Securities (India) Private Limited (HISL)	HSBC Trustees (India) Private Limited
3)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	Yes	NA	NA	NA	NA	NA
4)	Reporting currency and Exchange rate as on the	INR	INR	INR	INR	INR	INR	INR

HSBC Securities and Capital Markets (India) Private Limited

Regd. Office: 52/60 Mahatma Gandhi Road, Fort, Mumbai – 400 001, India

Telephone: 022-2268 1208 email: saurabh.shankarlal.gupta@hsbc.co.in

Website: <https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market?v222>

CIN No.: U67120MH1994PTC081575

	last date of the relevant financial year in the case of foreign subsidiaries.							
5)	Share capital	34,441	-	7,095	14,628	10	17,451	10
6)	Reserves & surplus	350,157	-	47,951	40,157	314	(16,222)	4
7)	Total assets	475,996	-	55,259	195,141	348	1,460	17
8)	Total Liabilities	91,398	-	213	140,355	25	231	3
9)	Investments (Financial Assets)	39,334	-	35,795	7,255	-	48	-
10)	Turnover	51,132	-	1,489	14,249	11	19	12
11)	Profit before taxation	23,738	-	1,288	4,278	5	(31)	6
12)	Provision for taxation	4,428	-	344	1,049	1	14	1
13)	Profit after taxation	19,310	-	944	3,229	4	(44)	5
14)	Proposed Dividend	-	-	-	-	-	-	-
15)	% of shareholding (Direct + Indirect)	100.00%	NA	54.73%	54.73%	54.18%	78.82%	100.00%

* HIDL's Profit before taxation includes share of loss of Associate in HIDL.

HSBC Consultancy Services (India) Limited was merged with AMIN w.e.f. 16 October 2023.



Notes: The following information shall be furnished at the end of the statement:

- 1) Names of subsidiaries which are yet to commence operations - NA
- 2) Names of subsidiaries which have been liquidated or sold during the year. - NA

Part "B": Associates and Joint Ventures – NOT APPLICABLE

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1) Latest audited Balance Sheet Date			
2) Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding %			
3) Description of how there is significant influence			
4) Reason why the associate/joint venture is not consolidated			

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5) Networth attributable to Shareholding as per latest audited Balance Sheet			
6) Profit / Loss for the year			
i. Considered in Consolidation			
i. Not Considered in Consolidation			

1) Names of associates or joint ventures which are yet to commence operations. - NA

2) Names of associates or joint ventures which have been liquidated or sold during the year. - NA

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

Sd/-

Brij Bhushan
Whotetime Director
DIN: 09288911

Sd/-

Mudit Tayal
Wholetime Director
DIN: 07769502

Sd/-

Saurabh Gupta
Company Secretary
Membership No. ACS 44440

Place: Mumbai

Date: 13 August 2024

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