Independent Auditor's Report

To the Members of HSBC Securities and Capital Markets (India) Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of HSBC Securities and Capital Markets (India) Private Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), and the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone 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 standalone 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 standalone 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 standalone 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 your attention to Note 20(A) and Note 14(a) to the standalone financial statements regarding receipt of the following orders from the National Company Law Tribunal (NCLT), which have been given effect to in these standalone financial statements:
   (i) Order dated December 14, 2022 approving the reduction of capital by utilisation of Securities Premium against the debit balance of Retained Earnings amounting to Rs. 22,926 Lakhs, in accordance with Section 52 read with Section 66 of the Act; and
   (ii) Order dated February 24, 2023 approving further issuance of 2,500,000 9% Redeemable Preference Shares in lieu of old 2,500,000 9% Redeemable Preference Shares which were due for redemption on March 12, 2021, on the same terms and conditions drawn in the past in accordance with Section 55(3) of the Act.

   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 of Director's report, but does not include the standalone financial statements and our auditor's report thereon. The Board of Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board of Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

8. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 a 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone 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 standalone 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 standalone financial statements – Refer Note 39 to the standalone financial statements;

ii. The Company has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. 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.

iv. (a) 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 advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 38(viii) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, other than as as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 38(viii) to the standalone 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.

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 Accountant LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 23118522BGYIOI6453

Mumbai
July 10, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of HSBC Securities and Capital Markets (India) Private Limited on the standalone financial statements for the year ended March 31, 2023

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 Securities and Capital Markets (India) Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 standalone 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.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

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 standalone 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) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 Accountant LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 23118522BGYIOI6453

Mumbai
July 10, 2023

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 10(a) to the standalone 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 38(xi) to the standalone 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 38(i) to the standalone financial statements), and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone 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 been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from the bank on the basis of security of current assets. (Also refer Note 38(ii) to the standalone financial statements). The Company is not required to file quarterly returns or statements with such bank and accordingly, the question of our commenting on whether these returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has made investments in 1 Company and 2 Mutual Fund schemes (Refer note 6 to the standalone financial statements). During the year, the Company has not granted secured/unsecured loans/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. The Company does not have any associate or joint venture.

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

(c) The Company has not made granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of the loans or investments made, or guarantees or security provided by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 of the Act and accordingly, the provisions of clause 3(iv) of the said Order, to this 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 products of 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 generally regular in depositing undisputed statutory dues in respect of Income tax and provident fund, though there has been a slight delay in a few cases and is regular in depositing the undisputed statutory dues, including goods and services tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 39(b) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

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

Name of the statute	Nature of dues	Amount in Lakhs (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	206	April 1, 2007 to March 31, 2008	Income-tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	46,990	April 1, 2008 to March 31, 2009	Income-tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	386	April 1, 2009 to March 31, 2010	Income-tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	425	April 1, 2010 to March 31, 2011	Income-tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	767	April 1, 2012 to March 31, 2013	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	1,397	April 1, 2013 to March 31, 2014	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	1,333	April 1, 2014 to March 31, 2015	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	1,342	April 1, 2015 to March 31, 2016	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	375	April 1, 2016 to March 31, 2017	Commissioner of Income-tax (Appeals)
The Income Tax Act, 1961	Income Tax	767	April 1, 2017 to March 31, 2018	Commissioner of Income-tax (Appeals)
Finance Act, 1994	Service Tax	3,020	July 2012 to September 2014	Central Excise and Service Tax Appellate Tribunal

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account. (Refer Note 38(ix) to the standalone financial statements).

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(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 38(iii) to the standalone 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 standalone 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 standalone financial statements of the Company, we report that the Company has taken funds from the following entities and persons on account of or to meet the obligations of its subsidiary. The Company does not have any associate or joint venture.

Nature of fund taken	**Name of Corporate**	**Amount involved (In Lakhs)**	**Name of the Subsidiary**	**Nature of transaction for which fund utilized**
Equity Share Capital	HSBC Investment Bank Holdings B.V.	Rs. 351,696	HSBC Asset Management (India) Private Limited	Acquisition*

* Refer Note 6 and 19 of the standalone financial statements.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. 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 made a private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act (Refer Note 19 of the standalone financial statements). The funds raised have been used for the purpose for which funds were raised except as described below:

Nature of securities	Purpose for which funds raised	Total Amount Raised	Amount utilized for the other purpose	Un-utilized balance as at Balance sheet date	Remarks
Equity shares	Investment in Subsidiaries and various instruments	Rs. 351,696 Lakhs	Nil	Rs. 8,065 Lakhs	Refer note 38(viii) of the standalone financial statements.

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, in Form ADT-4, 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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 such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. 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.

(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 Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any 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 and had incurred cash losses of Rs. 1,442 lakhs 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 3(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 38(xii) to the standalone 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 standalone 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. 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 standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sd/-
Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 23118522BGYIOI6453

Mumbai
July 10, 2023

HSBC Securities and Capital Markets (India) Private Limited
Standalone Balance Sheet

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	11,504	73,220
Bank balance other than cash and cash equivalents above	4	8,514	11,479
Receivables			
- Trade receivables	5	7,701	240,218
Investments	6	408,306	61,978
Other financial assets	7	241	228
Non-financial assets			
Current tax assets (Net)	8	9,851	9,851
Deferred tax assets (Net)	9	-	254
Property, plant and equipment	10 (a)	219	122
Right-of-use assets	10 (b)	9	16
Other intangible assets	11	3	196
Intangible Assets under development	11 (a)	119	119
Other non-financial assets	12	349	248
Total Assets		**446,816**	**397,929**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade Payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,041	304,651
Borrowings (other than debt securities)	14	622	2,500
Lease liabilities	10 (b)	10	17
Other financial liabilities	15	1,003	872
Non-financial liabilities			
Current tax liabilities (Net)	16	637	585
Deferred tax liabilities (Net)	9	256	-
Provisions	17	885	835
Other non-financial liabilities	18	772	1,841
EQUITY			
Equity share capital	19	166,029	47,011
Other equity	20	274,561	39,617
Total equity		**440,590**	**86,628**
Total liabilities and equity		**446,816**	**397,929**

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes.
This is the Standalone Balance Sheet referred to in our report of even date

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

Sd/-
Sharad Agarwal
Partner
Membership No: 118522

Mumbai
July 10, 2023

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

Sd/ -
Brij Bhushan Di
rector
(DIN 09288911)

Sd/ -
Mudit Tayal
Director
(DIN 07769502)

Sd/ -
Saurabh Gupta
Company Secretary
Membership No. 44440

Mumbai
July 10, 2023

HSBC Securities and Capital Markets (India) Private Limited
Standalone Statement of Profit and Loss

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Revenue from contracts with customers	21	18,035	16,575
Interest income	22	330	368
Net gain on fair value changes	23	1,051	661
Total revenue from operations		19,416	17,604
Other income	24	2,985	13,538
Total income		**22,401**	**31,142**
Expenses			
Finance costs	25	6	9
Employee benefits expenses	26	7,761	7,915
Depreciation and amortization	27	131	171
Other expenses	28	12,921	10,813
Total expenses		**20,819**	**18,908**
Profit before tax		**1,582**	**12,234**
Income tax expense:			
- Current tax	29	699	-
- Current tax for Prior years	29	-	555
- Deferred tax charge	29	40	32
Total tax expense		**739**	**587**
Profit for the year		**843**	**11,647**
Other comprehensive income			
i) Items that will not be reclassified to profit or loss:			
- Remeasurement of post-employment benefit obligations		40	13
ii) Income tax relating to items that will not be reclassified to profit or loss		(10)	(3)
Other comprehensive income for the year		**30**	**10**
Total comprehensive income for the year		**873**	**11,657**
Earnings per equity share (Nominal value of Rs. 100/- per share)			
Basic & Diluted (Rs.)	34	0.80	24.78

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Profit and Loss referred to in our report of even date

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Mumbai
July 10, 2023

HSBC Securities and Capital Markets (India) Private Limited
Standalone Statement of Changes in Equity

(All amounts in Rs. lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
As at April 1, 2021		47,011
Changes in equity share capital	19	-
As at March 31, 2022		47,011
Changes in equity share capital	19	119,018
As at March 31, 2023		166,029

B. Other equity
As at March 31, 2022

Particulars	Equity component of compound financial instruments *	Reserves and surplus					Total other equity
		Capital redemption reserve	Securities premium	Statutory reserve	General reserve	Retained earnings	
As at April 1, 2021	**-**	**1,375**	**59,528**	**918**	**722**	**(34,583)**	**27,960**
Profit for the year	-	-	-	-	-	11,647	11,647
Other comprehensive income	-	-	-	-	-	10	10
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**11,657**	**11,657**
As at March 31, 2022	**-**	**1,375**	**59,528**	**918**	**722**	**(22,926)**	**39,617**

As at March 31, 2023

Particulars	Equity component of compound financial instruments *	Reserves and surplus					Total other equity
		Capital redemption reserve	Securities premium	Statutory reserve	General reserve	Retained earnings	
As at April 1, 2022	**-**	**1,375**	**59,528**	**918**	**722**	**(22,926)**	**39,617**
Profit for the year	-	-	-	-	-	843	843
Other comprehensive income	-	-	-	-	-	30	30
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**873**	**873**
Issuance of shares		-	232,662	-	-	-	232,662
Equity component of compound financial instruments	1,409						1,409
Offseting the debit balance in retained earnings with Securities Premium Account	-	-	(22,926)	-	-	22,926	-
As at March 31, 2023	**1,409**	**1,375**	**269,264**	**918**	**722**	**873**	**274,561**

* Refer note 14(b)

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

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

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Mumbai
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HSBC Securities and Capital Markets (India) Private Limited
Standalone Statement of Cash Flows

(All amounts in Rs. lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit before tax:	1,582	12,234
	Adjustments :		
	(Profit) on sale of property,plant and equipment	(1)	- *
	Finance Costs	6	1
	Net Loss on fair value changes on derivative	2,226	-
	Amounts write-off / provided for	3	3
	GST & Service Tax written-off	50	-
	Interest income on bank deposits	(2,853)	(147)
	Depreciation and amortisation	131	171
	(Profit) on sale of investment (net)	(1,073)	(672)
	(Reversal) of impairment in value of investment	-	(13,181)
	Net Loss on Fair Value Changes on FVTPL assets	22	11
	Operating profit/ (loss) before working capital changes	**93**	**(1,580)**
	Adjustments for working capital changes:		
	(Increase) / decrease in bank balance other than cash and cash equivalents	2,083	(214)
	(Increase) / decrease in trade receivables	232,517	(235,923)
	(Increase) / decrease in other financial assets	(13)	3
	(Increase) / decrease in other non financial assets	(101)	409
	Increase / (decrease) in trade payables	(302,610)	301,433
	Increase / (decrease) in other financial liabilities	131	(141)
	Increase in Provisions	47	11
	Increase / (decrease) in other non financial liabilities	(1,069)	264
	Cash (used in)/ generated from operations	**(68,922)**	**64,262**
	Less: Income taxes paid (net of refunds)	(668)	(950)
	Net cash (used in)/ generated from operating activities (A)	**(69,590)**	**63,311**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of investments in subsidiary	(343,631)	-
	Purchase of property, plant and equipment and intangible asset	(29)	(121)
	Purchase of Intangible Assets under development	-	(44)
	Proceeds from sale of property, plant and equipment	1	- *
	Purchase of investments	(30,500)	(31,000)
	Proceeds from sale of invesments	28,854	38,500
	Bank Deposit placed/ matured (net)	882	305
	Interest received on bank deposits	2,852	147
	Net cash (used in)/ generated from investing activities (B)	**(341,571)**	**7,787**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from issues of shares	351,679	-
	Principal payment under finance leases	(8)	(18)
	Net Loss on fair value changes on derivatives	(2,226)	(1)
	Net cash generated/ (used in) financing activities (C)	**349,445**	**(19)**
	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(61,716)**	**71,080**
	Add: Cash and cash equivalents at beginning of the year	73,220	2,141
	Cash and cash equivalents at end of the year	**11,504**	**73,220**

Cash and cash equivalents as per above comprise of the following:

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current account	302	65,018
Deposits with original maturity of less than 3 months	11,202	8,202
Balance as per Standalone Statement of Cash Flows	**11,504**	**73,220**

* Amount less than the rounding off norms of the Company.

The above Standalone Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows.
The above Standalone Statement of Cash Flows should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Cash Flows referred to in our report of even date

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

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

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Company Secretary
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Mumbai
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1 Background

HSBC Securities and Capital Markets (India) Private Limited ('the Company') was incorporated on September 29, 1994 under the Companies Act, 1956. The Company is fully owned subsidiary of HSBC Investment Bank Holdings B.V. and its nominees. The Company is primarily engaged in providing broking services, Global Banking (corporate finance and advisory) services and research services. The Company holds investment in shares of group companies.

2A Significant accounting policies

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

(i) Basis of preparation

Compliance with Ind AS

The standalone 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.

Historical cost convention

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

• certain financial assets and liabilities are measured at fair value; and

• defined benefit plans - plan assets are measured at fair value.

Presentation

The Ind AS compliant financial statements have been prepared in the format prescribed by Division III of Schedule III to the Companies Act, 2013 under Companies (Indian Accounting Standards (Ind AS)) Rule, 2015 vide notification dated October 11, 2018, and amended vide Notification dated March 24, 2021. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 33. Additional disclosures relating to amendments in Schedule III is presented in Note 38.

(ii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note 37 for segment information presented.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Board of Directors who has been identified as the chief operating decisions maker.

(iii) Foreign currency transactions

(a) Functional and presentation currency

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

(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 the Standalone Statement of Profit and Loss.

All other foreign exchange gains and losses are presented in the Standalone Statement of Profit and Loss on a net basis within other gains/(losses).

(iv) Revenue recognition

The Company applies Indian accounting standard 115, "Revenue from Contracts with Customers" five-step revenue recognition model to the recognition of Commissions and Fee Income, under which income must be recognized when control of goods and services is transferred, hence the contractual performance obligations to the customer has been satisfied.

Accordingly, after a contract with a customer has been identified in the first step, the second step is to identify the performance obligation - or a series of distinct performance obligations - provided to the customer. The Company examines whether the service is capable of being distinct and is actually distinct within the context of the contract. A promised service is distinct if the customer can benefit from the service either on its own or together with other resources that are readily available to the customer, and the promise to transfer the service to the customer is separately identifiable from other promises in the contract. The amount of income is measured on the basis of the contractually agreed transaction price for the performance obligation defined in the contract. If a contract includes variable consideration, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. Income is recognised in profit and loss when the identified performance obligation has been satisfied.

(a) Broking income is recognised net of goods and service tax, stamp duty and securities transaction tax on the date of transaction.

(b) Global Banking Fee Income is predominantly earned from providing services at a point in time or transaction-type services, which includes underwriting and advisory fees. Expenses that are directly related and incremental to the generation of Fee Income are presented net in Fee Income.

(c) Service Income is recognized based on cost plus methodology. The cost includes expense incurred for rendering Research services to HSBC group entity.

(d) Interest income from financial assets at fair value through profit or loss is disclosed as interest income under revenue from operations. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest rate method is recognised in the Standalone Statement of Profit and Loss under revenue from operations.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(e) Profit/loss on sale of investments is recognised on trade date and represents the excess/deficit over the carrying value (determined basis the weighted average cost) of the respective investment sold.

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

(g) Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in Standalone Statement of Profit and Loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(v) 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.

Depreciation methods, estimated useful lives and residual value

Based on the nature of property, plant and equipment used by the Company and management's estimate of its usage, the Company considers that the useful life (as disclosed in the below table) for respective assets to be appropriate.

(a) Property, Plant and Equipment costing Rs. 35,000 (Previous year: Rs. 35,000), are depreciated at 100% in the year of capitalisation.

(b) Useful life of the property, plant and equipment is estimated as under:

Nature of Property, Plant and Equipment	**Useful lives followed by company (years)**	
	FY 2022-23	**FY 2021-22**
Furniture and fixtures	5	5
Computers	4	4
Computers (Servers)	5	5
Office Equipment	5	5
Vehicles	4	4
Vehicles under lease	Depreciated over lease tenure	Depreciated over lease tenure

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 Standalone 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' (refer note 2A(vii)). Repairs and maintenance costs are recognized in the Standalone 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 Standalone Statement of Profit and Loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Standalone Statement of Profit and Loss within other gains/(losses).

(vi) 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.
- 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 intangible assets 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 Standalone Statement of Profit and Loss.

Amortisation methods and periods

The company amortises intangible assets using the straight-line method over the following periods:

Nature of Intangible Assets	**Useful lives followed by company (years)**	
	FY 2022-23	**FY 2021-22**
Computer software	3 years or license life, whichever is lower	3 years or license life, whichever is lower

(vii) Intangible assets under development

Intangible assets under development are stated at cost and includes attributable direct costs and incidental expenses. These assets are not yet ready for their intended use at the reporting date. Amortisation is not charged on Intangible assets under development (refer note 2A(v)).

(viii) Investments, other financial assets, financial liabilities and equity

(a) Classification

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. 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.
For investments in debt instruments, this will depend on the classification of debt instruments depending on:
(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset (Solely payments of principal and interest).

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.
The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
• how the asset’s performance and the business model is evaluated and reported to key management personnel
• the risks that affect the performance of the business model and how these risks are assessed and managed
• how managers are compensated.

As a second step of its classification process, the Company assesses the contractual terms of financial instrument to identify whether they meet the SPPI test, where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit and loss.

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

(b) 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.

(c) 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 Standalone Statement of Profit and Loss are expensed in Standalone Statement of Profit and Loss.

Financial assets
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. Interest income from these financial assets is

included in profit and loss using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the Standalone Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows or 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 or loss and recognised in other gains/(losses). Interest income from these financial assets is included in profit and loss using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in Standalone 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 other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in Standalone Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit and loss when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Standalone Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial liabilities and equity instrument:

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 definitions of a financial liability and an equity instrument.

Equity instrument:

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

Financial liabilities:

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the effective interest rate method. Interest expense is recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition of financial liabilities is also recognised in Standalone Statement of Profit and Loss. Undrawn loan commitments are not recorded in the Standalone Balance Sheet.

(d) 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 32(a) details how the company determines whether there has been a significant increase in credit risk.

(e) Derecognition

Financial assets

A financial asset is derecognised only when:

1. The Company has transferred the rights to receive cash flows from the financial asset or
2. 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.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in Standalone Statement of Profit and Loss.

(ix) Investment in subsidiaries

Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost; or in accordance with Ind AS 109. If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Standalone Balance Sheet:

(a) cost determined in accordance with Ind AS 27; Or

(b) deemed cost. The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or
(ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

(x) Employee benefits:

(a) Short-term obligations

(1) Liabilities for salaries, including non-monetary benefits

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 Standalone Balance Sheet.

(2) Leave absences

Accumulated leave absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating leave absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

(b) Post employment obligations

The Company operates the following post-employment schemes:

• defined benefit plans such as gratuity and

• defined contribution plans such as provident fund.

Defined benefit plans (gratuity)

The liability or asset recognised in the Standalone 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 less the fair value of plan assets. 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 Rupees 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 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 Standalone 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 Standalone Statement of Changes in Equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Standalone Statement of Profit and 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.

Bonus

The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Restricted Share Plan (Deferred bonus)

The Company's certain eligible employees are entitled to Restricted Share Plan (in the form of deferred bonus) as per the Company's policy. The provision is assessed on a yearly basis based on actuarial valuation. The period-end provision is measured at the present value of estimated future cash flows. At the end of the tenure, the liability is settled in shares based on the prevailing market value.

(xi) Income tax:

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate 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 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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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.

(xii) Cash and cash equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(xiii) Provisions, Contingent Liabilities:

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.

(xiv) Leases - as a lessee

As a lessee

Leases are recognised as a right-of-use (ROU) asset and a corresponding liability at the date at which the leased asset is made 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 respective standalone prices. However, for lease of real estate and vehicles for which the Company is lessee, it has elected not to separate lease and not lease component and instead account for these as a single lease component.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the future lease payments. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that individual lessee would have to pay to borrow the funds necessary to obtain as asset is similar value to the ROU asset in a similar economic environment with similar terms, security and conditions. Incremental borrowing rate considered as 7.84% for 3 years.
Lease payments are allocated between the liability and finance cost. The finance cost is charged to Standalone Statement of Profit and loss over the lease term so as to produce a constant period rate of interest on the remaining balance of the liability for each period.
Right-of-use assets are measured at cost comprising of following:
- the amount of the initial measurement of lease liability
-any lease payments made at or before the commencement date less any lease incentive received
- any initial direct cost, and
- restoration costs

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

(xv) Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:
1. the profit attributable to owners of the company
2. by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
1. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

2. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(xvi) 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. The amounts are unsecured and trade and other payables are presented as financial liabilities.

(xvii) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(xviii) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

(xix) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Standalone 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.

(xx) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Standalone Statement of Profit and loss over the period of the borrowings using the effective interest method.

Borrowings are dereognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in Standalone Statement of Profit and Loss as other gains/(losses).

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the Standalone Statement of Profit and loss as finance costs.

The fair value of the liability portion of redeemable preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on redemption of preference shares. The remainder of the proceeds is attributable to the equity

portion of the compound instruments. This is recognised and included in shareholder's equity, net of income tax effects, and not subsequently measured.
Borrowings are removed from the Standalone Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Standalone Statement of Profit and loss as other gains/(losses).

(xxi) Derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.
The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other expenses/ income.

(xxii) New and amended standards adopted by the Company

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 April 1, 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.

(xxiii) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 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 Company 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 Company's accounting policy already complies with the now mandatory treatment.

(xxiv) 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.

2B Critical estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.
This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant

notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates of judgements are:

- Estimation of current tax expense and current tax payable
- Estimation of defined benefit obligation
- Recognition of useful life of tangible and intangible assets
- Segregation of compound financial instruments into debt and equity components

HSBC Securities and Capital Markets (India) Private Limited
Notes to Standalone Financial Statements as at and for the year ended March 31, 2023 (Continued)

(All amounts in Rs. lakhs, 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 *	302	65,018
Deposits with original maturity of less than 3 months**	11,202	8,202
Total	**11,504**	**73,220**

*Balances with banks in current account includes Rs. Nil (March 31, 2022: Rs. 63,474) pertaining to client settlement.
** This includes interest acccrued of Rs. 2 (March 31, 2022: Rs. 2)
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

4 Bank balance other than cash and cash equivalents above

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit with maturity less than 3 months (Refer Note 1)	2,019	2,019
Deposits with maturity of more than 3 months and less than 12 months (Refer Note 2)	6,444	9,460
Deposits with maturity of more than 12 months (Refer Note 3)	51	-
Total	**8,514**	**11,479**

Note 1 : This includes bank deposits placed under lien with stock exchanges and clearing houses as at March 31, 2023: Rs. 1,964; (March 31, 2022: Rs 1,964) and accrued interest on deposit of Rs. 55 as at March 31, 2023; (March 31, 2022: Rs. 55).
Note 2: This includes bank deposits placed under lien with stock exchanges and clearing houses as at March 31, 2023: Rs. 5,794 (March 31, 2022: Rs. 5,950), placed under lien with banks against guarantees issued in favour of stock exchanges towards additional base capital as at March 31, 2023: Rs. 500; (March 31, 2022: Rs. 2,473) and accrued interest on deposit of Rs. 50 as at March 31, 2023; (March 31, 2022: Rs. 54)
Note 3 : This includes bank deposits placed under lien with stock exchanges and clearing houses as at March 31, 2023: Rs. 50; (March 31, 2022: Rs. Nil) and accrued interest on deposit as at March 31, 2023: Rs. 1 (March 31, 2022: Rs. Nil)

5 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from contract with customers – billed	6,210	240,044
Trade receivables from contract with customers – unbilled^	1,541	221
Total Receivables	**7,751**	**240,265**
Trade receivables considered good – unsecured	7,701	240,218
Trade receivable considered doubtful - unsecured	50	47
Gross	**7,751**	**240,265**
Less: Impairment Loss Allowance	(50)	(47)
Total **	**7,701**	**240,218**

**Trade receivables from related parties as at March 31, 2023: Rs. 4,204; (March 31, 2022: Rs. 1,011).
^The receivable is ‘unbilled’ because the Company has not yet issued an invoice; however, the balance has been included under trade receivables because it is an unconditional right to consideration.

HSBC Securities and Capital Markets (India) Private Limited
Notes to Standalone Financial Statements as at and for the year ended March 31, 2023 (Continued)

(All amounts in Rs. lakhs, unless otherwise stated)

Aging of trade receivables as at March 31, 2023:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables								
– considered good	1,541	4,321	1,839	-	-	-	-	**7,701**
– credit impaired	-	-	-	-	-	-	50	**50**
Disputed Trade Receivables								
– considered good	-	-	-	-	-	-	-	**-**
– credit impaired	-	-	-	-	-	-	-	**-**
Total	**1,541**	**4,321**	**1,839**	**-**	**-**	**-**	**50**	**7,751**

Aging of trade receivables as at March 31, 2022:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables								
– considered good	221	-	239,997	-	-	-	-	**240,218**
– credit impaired	-	-	-	-	-	-	47	**47**
Disputed Trade Receivables								
– considered good	-	-	-	-	-	-	-	**-**
– credit impaired	-	-	-	-	-	-	-	**-**
Total	**221**	**-**	**239,997**	**-**	**-**	**-**	**47**	**240,265**

(All amounts in Rs. lakhs, unless otherwise stated)

6 Investments

Particulars	Fair value through Profit or Loss	Others #	Total
As at March 31, 2022			
Mutual funds*	17,776	-	17,776
Subsidiaries	-	102,648	102,648
Total (A) - Gross	**17,776**	**102,648**	**120,424**
Investments outside India	-	-	-
Investments in India	17,776	102,648	120,424
Total (B) - Gross	**17,776**	**102,648**	**120,424**
Total - Gross	17,776	102,648	120,424
Less: Impairment loss allowance (C)	-	(58,446)	(58,446)
Total (D) - Net	**17,776**	**44,202**	**61,978**
As at March 31, 2023			
Mutual funds *	20,473	-	20,473
Subsidiaries **	-	446,279	446,279
Total (A) - Gross	**20,473**	**446,279**	**466,752**
Investments outside India	-	-	-
Investments in India	20,473	446,279	466,752
Total (B) - Gross	**20,473**	**446,279**	**466,752**
Total - Gross	20,473	446,279	466,752
Less: Impairment loss allowance (C)##	-	(58,446)	(58,446)
Total (D) - Net	**20,473**	**387,833**	**408,306**

(All amounts in Rs. lakhs, unless otherwise stated)

**The Company and HSBC Asset Management (India) Private Limited (AMIN), entered into an agreement, dated December 23, 2021, with L&T Investment Management Limited (LTIM), which inter alia provided for the acquisition of the entire share capital of LTIM by AMIN. In the current financial year, the company has further invested Rs. 343,631 (March 31, 2022: Nil) in AMIN for the said acquisition. (Refer Note 38 (viii)).

With effect from May 17, 2023 the name of LTIM has been changed to HSBC Consultancy Services (India) Limited.

The Company has measured its investment in subsidiaries at cost as per Ind AS 27.

Management tested for impairment of investments in subsidiaries. The Company recognised an impairment reversal of Rs. Nil (March 31, 2022: Rs. 13,181) in investments in subsidiaries. (Refer Note 24).

***Details of Investments in Mutual Funds**

Mutual Fund Scheme - Unquoted	**As at March 31, 2023**		**As at March 31, 2022**	
	Units	**Amount**	**Units**	**Amount**
HSBC Cash Fund - Direct Plan - Growth**	198,308	4,446	790,685	16,761
HSBC Ultra Short Duration Fund - Direct Plan - Growth	-	-	92,122	1,015
HSBC Money Market Fund - Direct Plan - Growth	68,428,796	16,027	-	-
Total		**20,473**		**17,776**

**This comprises of 198,308 (March 31, 2022 : 198,308) mutual fund units, that have been pledged with NSE Clearing Limited for margin deposit.

(All amounts in Rs. lakhs, unless o

7 Other financial assets

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Unsecured, considered good		
Security deposits	226	226
Staff Loans	1	2
Advance to employees	14	-
Unsecured, considered doubtful :		
Other advances	11	11
Less: Impairment Loss Allowance	(11)	(11)
Total	**241**	**228**

8 Current tax assets (Net)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Advance tax and tax deducted at source [Net of provision for tax of Rs. 17,767 (March 31, 2022: Rs. 21,295)]	9,851	9,851
Total	**9,851**	**9,851**

9 Deferred tax assets (Net)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Deferred tax assets:		
Property, plant & equipment	83	99
Impairment Loss allowance	15	15
Provision for gratuity	197	186
Provision for leave absences	25	24
Provision for bonus	137	145
Difference in profit due to FIFO and weighted average cost on Mutual Fund	4	36
Lease liability	3	4
Total deferred tax assets	**464**	**509**
Deferred tax liabilities:		
Compound Financial Instrument *	(473)	-
Fair value of financial instruments	(245)	(251)
Right-of-use assets	(2)	(4)
Total deferred tax liabilities	**(720)**	**(255)**
Net deferred tax (liabilities)/ assets	**(256)**	**254**

Note: For movement in deferred tax, refer Note 29 (c)

* Refer Note 14 (b)

(All amounts in Rs. lakhs, unless otherwise stated)

10 (a) Property, plant and equipment

Particulars	Own assets			Total
	Computers	Furniture and Fixtures	Office equipment	
Gross carrying amount				
As at April 1, 2021	329	- *	11	340
Additions	102	-	1	103
Disposals and transfers	(49)	-	-	(49)
Closing gross carrying amount	**382**	**- ***	**12**	**394**
Accumulated depreciation				
Opening accumulated depreciation	181	- *	4	185
Depreciation charge during the year	131	-	5	136
Disposals and transfers	(49)	-	-	(49)
Closing accumulated depreciation	**263**	**- ***	**9**	**272**
Net carrying amount as at March 31, 2022	**119**	**-**	**3**	**122**
Gross carrying amount				
As at April 1, 2022	382	- *	12	394
Adjustment	89	-	3	92
Additions	28	-	- *	28
Disposals and transfers	(12)	-	-	(12)
Closing gross carrying amount	**487**	**-**	**15**	**502**
Accumulated depreciation				
Opening accumulated depreciation	263	- *	9	272
Adjustment	(92)	-	-	(92)
Depreciation charge during the year	113	-	2	115
Disposals and transfers	(12)	-	-	(12)
Closing accumulated depreciation	**272**	**- ***	**11**	**283**
Net carrying amount as at March 31, 2023	**215**	**-**	**4**	**219**

* Amount less than the rounding off norms of the Company.

(All amounts in Rs. lakhs, unless otherwise stated)

10 (b) Leases

This note provides information for leases where the Company is a lessee. The Company leases the vehicle and office premises. Rental contracts are typically made for a fixed period of 3 to 5 years for vehicles and 1 year for office premises.

(i) Amounts recognised in Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

Right-of-use assets	**As at March 31, 2023**	**As at March 31, 2022**
Vehicles	9	16
Total	**9**	**16**

Lease liabilities	**As at March 31, 2023**	**As at March 31, 2022**
Vehicles	10	17
Total	**10**	**17**

Additions to the right to use assets during the year is Rs. Nil (March 31, 2022: 14)

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

The Standalone Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	**Notes**	**As at March 31, 2023**	**As at March 31, 2022**
Depreciation of right-of-use assets	27	7	16
Interest Expenses (included in Finance cost)	25	1	1
Expenses relating to short-term leases of office premises (included in other expenses)	28	576	542
Total		**584**	**559**

The total cash outflow for leases for the year ended March 31, 2023 was Rs. 8 (March 31, 2022: Rs. 19).

(All amounts in Rs. lakhs, unless otherwise stated)

11 Other Intangible Assets

Particulars	**Computer software**
Gross carrying amount	
As at April 1, 2021	341
Additions	3
Disposals and transfers	-
Closing gross carrying amount	**344**
Accumulated amortisation	
Opening accumulated amortisation	129
Amortisation during the year	19
Disposals and transfers	-
Closing accumulated amortisation	**148**
Net carrying amount as at March 31, 2022	**196**
Gross carrying amount	
As at April 1, 2022	344
Adjustment	(92)
Additions	1
Disposals and transfers	-
Closing gross carrying amount	**253**
Accumulated amortisation	
Opening accumulated amortisation	148
Adjustment	93
Amortisation during the year	9
Disposals and transfers	-
Closing accumulated amortisation	**250**
Net carrying amount as at March 31, 2023	**3**

(All amounts in Rs. lakhs, unless otherwise stated)

11 (a) Intangible Assets under development

As at March 31, 2022

(a) Aging of Intangible Assets under development:

	Amounts in Intangible Assets under development for				
Particulars	**Less than one year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	119	-	-	119
Total	-	119	-	-	119

(b) Completion schedule for Intangible Assets under development: whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				
Particulars	**Less than one year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	119	-	-	-	119
Total	119	-	-	-	119

As at March 31, 2023

(a) Aging of Intangible Assets under development:

	Amounts in Intangible Assets under development for				
Particulars	**Less than one year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
(i) Projects in progress	-	-	119	-	119
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	119	-	119

(b) Completion schedule for Intangible Assets under development: whose completion is overdue or has exceeded its cost compared to its original plan:

	To be completed in				
Particulars	**Less than one year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	**Total**
(i) Projects in progress	119	-	-	-	119
(ii) Projects temporarily suspended	-	-	-	-	-
Total	119	-	-	-	119

HSBC Securities and Capital Markets (India) Private Limited
Notes to Standalone Financial Statements as at and for the year ended March 31, 2023 (Continued)

(All amounts in Rs. lakhs, unless otherwise stated)

12 Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good :		
Prepaid expenses	274	194
Other advances #	75	54
Total	**349**	**248**

Other Advances from related parties as at March 31, 2023: Rs. 1; (March 31, 2022: Rs. 16).

13 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,041	304,651
Total	**2,041**	**304,651**

*Trade payables to related parties as at March 31, 2023: Rs. 1,839; (March 31, 2022: Rs.63).

Aging of trade payables as at March 31, 2023:

Particulars			Outstanding for following periods from due date of payment					
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade payables								
– Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
– Others	517	89	1,266	117	52	-	-	2,041
Disputed Trade payables								
– Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
– Others	-	-	-	-	-	-	-	-
Total	**517**	**89**	**1,266**	**117**	**52**	**-**	**-**	**2,041**

Aging of trade payables as at March 31, 2022:

Particulars			Outstanding for following periods from due date of payment					
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade payables								
– Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
– Others	-	-	304,486	165	-	-	-	304,651
Disputed Trade payables								
– Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
– Others	-	-	-	-	-	-	-	-
Total	-	-	**304,486**	**165**	-	-	-	**304,651**

(All amounts in Rs. lakhs, unless otherwise stated)

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	-	-
- 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.	-	-

14 Borrowings (other than debt securities)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
At amortised cost		
Debt component of compound financial instruments - Unsecured (Refer Note (a) and (b) below)	622	2,500
Total	**622**	**2,500**
Borrowings in India	622	2,500
Borrowings outside India	-	-
Total	**622**	**2,500**

(All amounts in Rs. lakhs, unless otherwise stated)

(a) Debt component of compound financial instruments

The Company had issued 2,500,000 (March 31, 2022: 2,500,000) 9% redeemable preference shares of Rs.100 (Face Value) (each fully paid-up) to HSBC Investment Bank Holdings B.V. The preference shares were to be redeemed at par, on such date as may be determined by the Board of Directors of the Company at any time but not earlier than ten years from the date of allotment (March 12, 2001).

Section 55(2) of the Companies Act, 2013 (Companies Act amended in 2013), stipulates that preference shares shall be redeemed only out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption. HSCI had cumulative losses as disclosed in Statement of Changes in Equity and there was no fresh issuance of shares in the previous years.

As HSCI was unable to redeem the Preference Shares out of profits or out of a fresh issuance of shares, the Company filed proceedings before the National Company Law Tribunal ("NCLT") under Section 55(3) of the Act on February 15, 2021, to seek approval for issuing fresh / new 2,500,000 9% redeemable preference shares of Rs. 100 (Face Value) each fully paid-up in lieu of old preference shares equal to amount due for original preference shareholders in accordance with the same terms of issue. The Company filed ECB form with RBI and a loan registration number ("LRN") number was issued to HSCI on June 10, 2021.

Vide the NCLT Order dated February 24, 2023, the NCLT allowed the Petition, hereby approving further issuance of 2,500,000 9% Redeemable Preference Shares of Rs. 100 each in lieu of old 2,500,000 9% Redeemable Preference Shares on the same terms and conditions drawn in the past. The preference shares will be redeemed at par on such date as may be determined by the Board of Directors but not earlier than 10 years from the date of allotment. Accordingly the earliest date of redemption is March 12, 2031.

(b) Also, the Company has disclosed 9% redeemable preference shares of Rs. 2,500 (previous year Rs. 2,500) in the standalone financial statement under Other equity as Equity component of compound financial instruments of Rs. 1,883 (previous year Rs. Nil) and Borrowings (other than debt securities) as Debt component of compound financial instruments of Rs. 622 (previous year Rs. 2,500) as at March 31, 2023 in accordance with Ind AS 32 'Financial Instruments: Presentation' as notified under section 133 of the Act. However, as per provisions of section 2(64) and section 43 read with Schedule III and section 52 of the Act, the aggregate amount of Rs. 2,500 (previous year Rs. 2,500) should have been considered as 'Preference share capital'.

(All amounts in Rs. lakhs, unless otherwise stated)

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	11,504	73,220
Liquid investments	16,027	13,573
Lease liabilities	(10)	(17)
Borrowings (other than debt securities)	(622)	(2,500)
Net debt	**26,899**	**84,276**

Particulars	Cash and cash equivalents	Liquid investments	Lease Liabilities	Borrowings (other than debt securities)	Total
Net debt as at April 1, 2021	**2,141**	**20,552**	**(31)**	**(2,500)**	**20,162**
Cash flows movement (net)	71,079	(6,990)	17	-	64,106
Interest expense	-	-	1	-	1
New lease	-	-	(14)	-	(14)
Transfer of lease	-	-	10	-	10
Other non-cash movements					
- Fair value adjustments	-	11	-	-	11
Net debt as at March 31, 2022	**73,220**	**13,573**	**(17)**	**(2,500)**	**84,276**
Cash flows movement (net)	(61,716)	2,427	8	-	(59,281)
Interest expense	-	-	(1)	(5)	(6)
Other non-cash movements					
- Fair value adjustments	-	27	-	-	27
- Equity component of compound financial instruments	-	-	-	1,883	1,883
Net debt as at March 31, 2023	**11,504**	**16,027**	**(10)**	**(622)**	**26,899**

There are no cash flows pertaining to unamortised discount and acquisitions/disposals.

15 Other Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable (including Restricted Share Plan)	1,003	872
Total	**1,003**	**872**

(All amounts in Rs. lakhs, unless otherwise stated)

16 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax [Net of advance tax as at March 31, 2023: Rs. 4,438 (March 31, 2022: Rs 3,781)]	637	585
Total	**637**	**585**

17 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Leave absences	101	94
- Gratuity (refer Note 30(b)(i))	784	741
Total	**885**	**835**

18 Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable including provident fund and tax deducted at source	769	1,838
Deposit from customers	3	3
Total	**772**	**1,841**

(All amounts in Rs. lakhs, unless otherwise stated)

19 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised shares *				
Equity shares of Rs. 100 (Face Value) each	464,500,000	464,500	64,500,000	64,500
Redeemable preference shares of Rs. 100 (Face Value) each	5,500,000	5,500	5,500,000	5,500
Issued shares **				
Equity shares of Rs. 100 (Face Value) each	184,323,905	184,324	47,011,394	47,011
Subscribed & fully paid-up shares ***				
Equity shares of Rs. 100 (Face Value) each	166,028,980	166,029	47,011,394	47,011

****Issued shares**

On September 30, 2022, the Company invited its shareholders to subscribe to a private placement of 137,312,511 equity shares at an issue price of Rs. 295.50 per share (Face value of Rs. 100), with such shares to be issued on and rank for dividends after October 4, 2022.

*****Subscribed & fully paid-up shares**

The issue was partly subscribed to the extent of 119,017,586 equity shares at an issue price of Rs. 295.50 per share (Face value of Rs. 100).

*** Increase in Authorised Share Capital**

The Extra ordinary General meeting dated May 20, 2022 had approved the increase in authorised share capital of the Company from Rs. 70,000 to Rs. 470,000 which comprises of 464,500,000 equity shares of Rs. 100 (Face Value) from 64,500,000 equity shares of Rs. 100 (Face Value) and 5,500,000 redeemable preference shares of Rs. 100 (Face Value).

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Issued shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Outstanding at the beginning of the year	47,011,394	47,011	47,011,394	47,011
Shares issued during the year	137,312,511	137,313	-	-
Outstanding at the end of the year	184,323,905	184,324	47,011,394	47,011

Subscribed & fully paid-up shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Outstanding at the beginning of the year	47,011,394	47,011	47,011,394	47,011
Shares subscribed and fully paid up during the year	119,017,586	119,018	-	-
Outstanding at the end of the year	166,028,980	166,029	47,011,394	47,011

b) Terms, rights and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100 (Face Value) per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

c) Shares of the Company held by the holding company

Equity shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
HSBC Investment Bank Holdings B.V., the holding company and its nominees	166,028,980	100%	47,011,394	100%

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
HSBC Investment Bank Holdings B.V., the holding company and its nominees	166,028,980	100%	47,011,394	100%

e) Details of shareholding of promoters:

Name of the promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% of total shares	% of change during the year	Number of shares	% of total shares	% of change during the year
HSBC Investment Bank Holdings B.V., the holding company and its nominees	166,028,980	100%	-	47,011,394	100%	-

(All amounts in Rs. lakhs, unless otherwise stated)

20 Other equity

A Reseves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve		
Opening balance	1,375	1,375
Add: Changes during the year	-	-
Closing balance	**1,375**	**1,375**
Securities premium		
Opening balance	59,528	59,528
Add: On shares subscribed during the year (net)	232,662	-
Less: Transferred to Retained earnings #	(22,926)	-
Closing balance	**269,264**	**59,528**
Statutory reserve		
Opening balance	918	918
Add: Changes during the year	-	-
Closing balance	**918**	**918**
General reserve		
Opening balance	722	722
Add: Changes during the year	-	-
Closing balance	**722**	**722**
Retained earnings		
Opening balance	(22,926)	(34,583)
Add: Offset with Securities premium **#**	22,926	-
Add: Net profit for the year	843	11,647
Items of other comprehensive income recognised directly in retained earnings		
(Less): Remeasurements of post-employment benefit obligation, net	30	10
Closing balance	**873**	**(22,926)**
Total reserves and surplus	**273,152**	**39,617**

 # Offseting the debit balance in retained earnings with Securities Premium Account

On July 18, 2022, the Company applied to the National Company Law Tribunal ('NCLT') to offset the accumulated losses in the Retained earnings against the Securities premium as at March 31, 2022 in accordance with section 52 read with Section 66 of the Companies Act, 2013.

Based on the receipt of NCLT order dated December 14, 2022, the management has accordingly offset the debit balance in retained earnings of Rs. 22,926 with balance in Securities Premium.

B Other reserves

Particulars	As at March 31, 2023	As at March 31, 2022
Equity component of compound financial instruments (Refer Note 14 (b))		
Opening balance	-	-
Add: changes during the year (net)	1,409	-
Closing balance	**1,409**	**-**
Total other reserves	**1,409**	**-**

(All amounts in Rs. lakhs, unless otherwise stated)

Nature and purpose of other equity

a) Capital redemption reserve

As per the 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 this reserve. This reserve can be used only for the purpose of issuing bonus shares.

b) Securities premium

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

c) Statutory reserve

Reserves from the books of the Transferor company HSBC Pragati Finance (India) Private Limited disclosed separately in accordance with the approved scheme of amalgamation. Initially created pursuant to Section 45-1C of the RBI Act, 1934 as amended by the RBI (Amendment) Act, 1997.

d) General reserve

The general reserve is created by transfer from retained earnings as per the provision of the Companies Act, 2013. It can be used in accordance with the provisions of the Companies Act, 2013.

e) Equity component of compound financial instruments

2,500,000 (March 31, 2022: Nil) 9% redeemable preference shares of Rs.100 (Face Value) each fully paid-up. This is the equity component of the redeemable preference shares.

Please refer Note 14(a), for the terms, rights and restrictions attached to these preference shares.

(All amounts in Rs. lakhs, unless otherwise stated)

21 Revenue from contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Brokerage (net of goods and service tax and securities transaction tax)	7,380	7,621
Global Banking (Corporate finance and advisory fees) (net of goods and service tax)*	5,240	3,941
Service income (net)*	5,415	5,013
Total	**18,035**	**16,575**

* Services are rendered at a point in time

22 Interest income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On Financial Assets measured at Amortised Cost		
Interest on bank deposits placed with exchanges	330	368
Total	**330**	**368**

23 Net gain on fair value changes

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Others		
Net gain on financial instrument at fair value through profit or loss	1,051	661
Total (A)	**1,051**	**661**
Fair value changes:		
Realised	1,073	672
Unrealised	(22)	(11)
Total (B)	**1,051**	**661**

24 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gain in Impairment Reversal (Refer Note 6)	-	13,181
Net gain on foreign exchange fluctuation	112	114
Profit on sale of property, plant and equipment (net)	1	- *
Interest on bank deposit	2,853	147
Other income	-	2
Export credit scrip income	19	94
Total	**2,985**	**13,538**

* Amount less than the rounding off norms of the Company.

25 Finance costs
(On financial liabilities measured at amortised cost)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
Interest on delay in payment of tax deducted at source	-	8
Borrowings (other than debt securities)		
- Interest and finance charges on lease liabilites	1	1
- Debt component of compound financial instruments	5	-
Total	**6**	**9**

26 Employee benefits expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	6,867	7,425
Less: Recovery of shared service cost	(16)	(22)
Sub-total	**6,851**	**7,403**
Contribution to provident and other funds (Refer Note 30(a))	269	213
Gratuity (Refer Note 30(b))	125	117
Leave absences	21	29
Restricted share plan (Refer Note 40)	461	111
Staff welfare	34	42
Total	**7,761**	**7,915**

27 Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	115	136
Depreciation on right-of-use assets	7	16
Amortisation on intangible asset	9	19
Total	**131**	**171**

(All amounts in Rs. lakhs, unless otherwise stated)

28 Other expenses

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Net Loss on fair value changes on derivative	2,226	-
Rent and utilities	604	580
Repairs and maintenance		
-- Equipment	1,100	825
-- Others	22	12
Fees for advisory services	-	793
Insurance	103	168
Registration fees and stamp duty	258	296
Travel and conveyance	224	52
Auditors' remuneration [Refer Note (a) below]	55	45
Contribution for corporate social responsibility (CSR) [Refer Note (b) below]	100	130
Legal and professional fees	694	565
Less: Recovery of shared service cost	(30)	(23)
Global Research Recharge - Support service	5,752	6,167
Communication	1,065	458
Transaction fees	468	467
Loss on error trade (net)	1	49
Membership and subscription	51	57
Seminars and conferences	37	- *
Settlement cost	5	7
Impairment loss allowance	3	3
GST & Service Tax written-off	50	64
Business Promotion	21	11
Relocation	21	6
Bank guarantee charges and others	25	26
Miscellaneous	66	55
Total	**12,921**	**10,813**

* Amount less than the rounding off norms of the Company.

(a) Break up of auditors' remuneration

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Statutory Audit Fees	47	43
Other services	6	1
Reimbursement of expenses	2	1
Total	**55**	**45**

* Amount less than the rounding off norms of the Company.

(b) Contribution for corporate social responsibility (CSR)

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Amount required to be spent as per Section 135 of the Act	100	130
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On the purposes other than (i) above	100	130
Total	**100**	**130**

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Amount required to be spent by the company during the year	100	130
Amount of expenditure incurred	100	130
Shortfall at the end of the year	NA	NA
Total of previous years shortfall	NA	NA
Reason for shortfall	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA
Nature of CSR activities	Refer * below	Refer # below
Details of related party transactions	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

Nature of CSR activities

* The CSR activities are related to Solar energy-based solution at BEST Bus Depot at Bandra (West), Mumbai and the 'National Association for the Blind (NAB) India'

The CSR activities are related to COVID 19 relief and recovery under item no. (i) and (xii) of Schedule VII the Companies Act, 2013, which relates to promotion of health care, including preventive health care and Disaster management including relief activities. The Company has contributed to administering COVID-19 vaccine through mobile vaccination units, to the geographically difficult to access communities, socially and economically disadvantaged population.

(All amounts in Rs. lakhs, unless otherwise stated)

29 Income tax

(a) The components of income tax expense are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income tax expense		
Current tax	699	555
Deferred Tax	40	32
Sub-total	**739**	**587**
Current tax - Other comprehensive income	(10)	(3)
Sub-total	**(10)**	**(3)**
Total	**729**	**584**

(b) Reconciliation of the total tax charge

The tax charge shown in the Standalone 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 India's domestic tax rate is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	1,582	12,234
Tax at India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	**398**	**3,079**
Tax effect of the amount which are not taxable in calculating taxable income :		
Expenses disallowed	587	90
Income not subject to tax	(304)	(3,318)
Transferpricing adjustments in relation to Brokerage	20	81
Others	28	68
Income tax expense at effective tax rate	**729**	**-**
Effective tax rate	**46.05%**	**0.00%**

(c) Deferred tax assets/liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

Particulars	As at April 1, 2021	(Charged)/ credited to profit and loss	As at March 31, 2022	(Charged)/ credited to profit and loss	Amounts recognised directly in Other Equity	As at March 31, 2023
Deferred tax assets:						
Property, plant and equipment	78	21	99	(16)	-	83
Provision for doubtful debts	14	1	15	- *	-	15
Provision for gratuity	186	- *	186	11	-	197
Provision for leave absences	23	1	24	1	-	25
Provision for bonus	201	(56)	145	(8)	-	137
On account of change in valuation of investments method from weighted average to FIFO	36	- *	36	(32)	-	4
Lease liability	8	(4)	4	(1)	-	3
Total deferred tax assets	**546**	**(37)**	**509**	**(47)**	-	**464**
Deferred tax liabilities:						
Compound financial instruments	-	-	-	(1)	474	(473)
Right-of-use assets	(7)	3	(4)	2	-	(2)
Fair value of financial instruments	(253)	2	(251)	6	-	(245)
Total deferred tax liabilities	**(260)**	**5**	**(255)**	**7**	**474**	**(720)**
Net deferred tax asset/(liability)	**286**	**(32)**	**254**	**(40)**	**474**	**(256)**

* Amount less than the rounding off norms of the Company.

(All amounts in Rs. lakhs, unless otherwise stated)

30 Employee benefit obligations

(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 269 (March 31, 2022: Rs. 213).

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognised in the Standalone Statement of Profit and Loss		
i) Provident fund paid to the authorities	210	163
ii) Pension fund paid to the authorities	16	24
iii) National Pension Scheme	43	26
Total	**269**	**213**

(b) Defined benefit plans

Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed years of service in line with the payments of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefit vests after 4 years and 190 days of continuous service. The plan is wholly unfunded.

(i) The following tables summarise the components of net benefit expense recognised in the Standalone Statement of Profit and Loss and the funded status and amounts recognised in the Standalone 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	**741**	**-**	**741**
Current service cost	76	-	76
Interest on liability	49		49
Total amount recognised in Profit and Loss	**125**	**-**	**125**
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	(20)	-	(20)
(Gain)/loss on account of experience changes	(20)	-	(20)
Total amount recognised in Other Comprehensive Income	**(40)**	**-**	**(40)**
Employer Contributions	-	-	-
Benefit Payments	(42)	-	(42)
Liabilities assumed/Asset acquired	-	-	-
Closing Balance	**784**		**784**

Particulars	As at March 31, 2022		
	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	**738**	**-**	**738**
Current service cost	73	-	73
Interest on liability	44	-	44
Total amount recognised in Profit and Loss	**117**	**-**	**117**
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	(15)	-	(15)
(Gain)/loss on account of experience changes	2	-	2
Total amount recognised in Other Comprehensive Income	**(13)**	**-**	**(13)**
Employer Contributions	-	-	-
Benefit Payments	(101)	-	(101)
Liabilities assumed/Asset acquired	-	-	-
Closing Balance	**741**	**-**	**741**

(All amounts in Rs. lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of plan liabilities	784	741
Fair value of plan assets	-	-
Plan liability net of plan assets	**784**	**741**

(ii) Standalone Statement of Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefit expense:		
Current service cost	76	73
Total	**76**	**73**
Finance costs	49	44
Net impact on the profit before tax	**125**	**117**
Remeasurements of the net defined benefit liability:		
Actuarial (gains)/losses arising from Changes in financial assumption	(20)	(15)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes actual return on plan assets less interest on plan asset	-	-
Actuarial (gains)/losses arising from changes in experience	(20)	2
Net impact on the other comprehensive income before tax	**(40)**	**(13)**

(iii) Defined benefit plan assets

Category of assets	Year ended March 31, 2023	Year ended March 31, 2022
- Insurer managed funds	-	-
Total	**-**	**-**

(iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits 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	Year ended March 31, 2023	Year ended 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.

	Year ended March 31, 2023	Year ended March 31, 2022
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table
Withdrawal rate	10%	10%

Mortality:

For March 31, 2023 & March 31, 2022 Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.

Disability:

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

(All amounts in Rs. lakhs, unless otherwise stated)

(vi) Sensitivity

As at March 31, 2023	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50bps	(23)	25
Salary escalation rate	50bps	24	(23)

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50bps	(23)	25
Salary escalation rate	50bps	24	(23)

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 Standalone 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	83	76
2nd following year	106	81
3rd following year	99	103
4th following year	94	97
5th following year	104	93
Sum of year 6 and above	700	593

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2022: 7 years)

(viii) Risk Exposure

Salary inflation risk - Higher than expected increases in salary will increase the defined obligation.

Demographic risk - This is the risk of variability of results due to unsystematic nature of decrements that include mortaility, withdrawal, disabliity 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 becasue in the financials analysis the retirement benefit of a shorter career employee tyipcally costs less per year as compared to a long service employee.

(All amounts in Rs. lakhs, unless otherwise stated)

31 Fair value measurement

(a) Financial instruments by category

Particulars	As at March 31, 2023		As at March 31, 2022	
	Fair value through Profit or Loss	Amortised cost	Fair value through Profit or Loss	Amortised cost
Financial assets:				
Cash and cash equivalents	-	11,504	-	73,220
Bank balance other than cash and cash equivalents above	-	8,514	-	11,479
Receivables	-	7,701	-	240,265
Investments:				
- Mutual funds	20,473	-	17,776	-
- In subsidiaries	-	387,833	-	44,202
Other financial assets	-	241	-	228
Total financial assets	**20,473**	**415,793**	**17,776**	**369,394**
Financial liabilities:				
Trade payables	-	2,041	-	304,651
Borrowings (other than debt securities)	-	622	-	2,500
Lease liabilities	-	10	-	17
Other financial liabilities	-	1,003	-	872
Total financial liabilities	**-**	**3,676**	**-**	**308,040**

(All amounts in Rs. lakhs, unless otherwise stated)

(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. A 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 funds	6	20,473	-	-	20,473
Total financial assets		**20,473**	**-**	**-**	**20,473**

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 funds	6	17,776	-	-	17,776
Total financial assets		**17,776**	**-**	**-**	**17,776**

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 equity instruments and mutual fund units. The quoted equity instruments are valued at quoted prices as per the stock exchange. The investment in open ended mutual funds are valued at closing Net Asset Value (NAV), which represents the repurchase price at which the issuer will redeem the units from investors.

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.

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 (or most advantageous) principal 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.

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 cash equivalents, trade and other receivables, loans, other financial assets, trade and other payables, borrowings, other financial liabilities. Such amounts have been classified as Level 3, on the basis that no adjustments have been made to the balance in the Standalone Balance Sheet.

Further, the Company considers the fair values of financial assets and financial liabilities measured at amortised cost approximates their carrying value, where fair values are calculated by discounting the future cash flows using rate adjusted for the counterparties credit risk.

(All amounts in Rs. lakhs, unless otherwise stated)

32 Financial risk management

The financial instruments held by the Company expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company uses different methods such as sensitivity analysis to measure different types of risk to which it is exposed.

(a) 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.

The Company's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, deposits with banks, trade receivables, security deposits, staff loans, outstanding receivables (other deposits, other advances).

Staff loans and receivables have been considered to enjoy 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 stock exchanges, depositories, lessors for premises leased by the Company. The Company does not perceive any significant decline in credit risk of the counterparties 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.

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
Cash and cash equivalents	11,504	73,220
Bank balance other than cash and cash equivalents above	8,514	11,479
Trade receivables	7,701	240,218
Other financial assets	241	228

(All amounts in Rs. lakhs, unless otherwise stated)

a. Credit quality analysis

Loss allowance as at March 31, 2023 and March 31, 2022 was determined as follows for trade receivables:

	Lifetime ECL (simplified approach)						
As at 31 March 2023	**Not due**	**0–30 days past due**	**31–60 days past due**	**61–90 days past due**	**91–120 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount – trade receivables	5,862	-	414	1,425	-	50	7,751
Expected loss rate							0.65%
Less: Impairment Loss Allowance	-	-	-	-	-	(50)	(50)
Carrying amount of trade receivables (net of impairment)	**5,862**	**-**	**414**	**1,425**	**-**	**-**	**7,701**
Gross carrying amount - Other advances	241	-	-	-	-	11	252
Expected loss rate							4.37%
Less: Impairment Loss Allowance	-	-	-	-	-	(11)	(11)
Carrying amount of other advances (net of impairment)	**241**	**-**	-	-	-	-	**241**

	Lifetime ECL (simplified approach)						
As at 31 March 2022	**Not due**	**0–30 days past due**	**31–60 days past due**	**61–90 days past due**	**91–120 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount – trade receivables	221	239,997	-	-	-	47	240,265
Expected loss rate							0.02%
Less: Impairment Loss Allowance	-	-	-	-	-	(47)	(47)
Carrying amount of trade receivables (net of impairment)	**221**	**239,997**	**-**	-	-	-	**240,218**
Gross carrying amount - Other advances	228	-	-	-	-	11	239
Expected loss rate							4.60%
Less: Impairment Loss Allowance	-	-	-	-	-	(11)	(11)
Carrying amount of other advances (net of impairment)	**228**	**-**	-	-	-	-	**228**

b. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Inputs considered in the ECL model:

The company categorizes Financial assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables.

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which the company operates and other macro-economic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

ii. Impairment loss allowance

Reconciliation of loss allowance provision of trade receivables:

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Opening balance of loss allowance	58	55
Increase in loss allowance recognised in the Standalone Statement of Profit and Loss during the year	3	3
Closing balance of loss allowance	**61**	**58**

(All amounts in Rs. lakhs, unless otherwise stated)

(b) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, price movements and mutual fund NAVs.

(i) Interest rate risk - staff loans, finance lease obligations

The Company has advanced loans to its' employees as at the balance sheet date. Since these loans have been given interest-free to the employees, the Company is not exposed to interest rate risk with respect to staff loans.

The Company has borrowings in the nature of lease liabilities, which do not have any variable interest rates. Accordingly, the Company is not exposed to interest rate risk with respect to finance lease obligations.

(ii) Interest rate risk - investments in debt oriented mutual funds

The Company is exposed to interest rate risk from investments held in debt oriented mutual fund units. These funds invest in debt securities. 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	
	Year ended March 31, 2023	Year ended March 31, 2022
91 days T-bill - increase by 1% (2022: 1%)	34	138
91 days T-bill - decrease by 1% (2022: 1%)	(34)	(138)

(iii) Foreign exchange risk

The Company is exposed to foreign exchange risk primarily through balances arising in the normal course of business that are denominated in a currency other than the Company's functional currency. The management has assessed that the foreign exchange risk does not represent a significant risk to the Company.

Sensitivity	Impact on profit after tax and equity		
	USD	GBP	HKD
Year ended March 31, 2023			
Rupee strengthens: USD: 1%, GBP: 4%, HKD : 2%	(32)	(36)	- *
Rupee weakens: USD: (1%), GBP: (4%), HKD: 2%	32	36	- *
Year ended March 31, 2022			
Rupee strengthens: USD: 2%, GBP: 3%, HKD : 2%	(3)	(18)	- *
Rupee weakens: USD: (2%), GBP: (3%), HKD: 2%	3	18	- *

* Amount less than the rounding off norms of the Company.

The Company takes derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. These do not qualify as hedges per Ind AS 109, counterparty for these contracts is generally a bank or a financial institution.

The Company does not have any outstanding foreign currency forward contract as at March 31, 2023.

(All amounts in Rs. lakhs, unless otherwise stated)

(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 cash equivalents, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since Company has no significant 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 as at the Balance Sheet date:

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities as at the year end. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The Company does not have any derivative financial liabilities.

As at March 31, 2023

		Within 12 months			After 12 months			
Contractual maturities of financial liabilities	**Carrying value**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**	**Total**
Financial liabilities								
Trade payables	2,041	2,041	-	-	-	-	-	**2,041**
Borrowings (other than debt securities) *	622	-	-	-	-	-	622	**622**
Lease Liabilities	10	1	1	3	5	-	-	**10**
Other financial liabilities	1,003	-	461	542	-	-	-	**1,003**
Total financial liabilities	**3,676**	**2,042**	**462**	**545**	**5**	**-**	**622**	**3,676**

As at March 31, 2022

		Within 12 months			After 12 months			
Contractual maturities of financial liabilities	**Carrying value**	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**	**Total**
Financial liabilities								
Trade payables	304,651	302,623	1,863	165	-	-	-	**304,651**
Borrowings (other than debt securities) *	2,500	2,500	-	-	-	-	-	**2,500**
Lease Liabilities	17	3	2	3	9	-	-	**17**
Other financial liabilities	872	-	111	761	-	-	-	**872**
Total financial liabilities	**308,040**	**305,126**	**1,976**	**929**	**9**	**-**	**-**	**308,040**

* Refer Note 14 (a) and 14 (b)

(All amounts in Rs. lakhs, unless otherwise stated)

33 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	11,504	-	11,504	73,220	-	73,220
Bank balance other than cash and cash equivalents above	8,463	51	8,514	11,479	-	11,479
Receivables						
Trade receivables	6,623	1,078	7,701	240,218	-	240,218
Investments	16,027	392,279	408,306	17,776	44,202	61,978
Other financial assets	14	227	241	1	227	228
Non-financial assets						
Current tax assets (Net)	-	9,851	9,851	-	9,851	9,851
Deferred tax assets (Net)	-	-	-	-	254	254
Property, plant and equipment	11	208	219	6	116	122
Right-of-use assets	5	4	9	3	13	16
Other intangible assets	1	2	3	5	191	196
Intangible Assets under development	119	-	119	119	-	119
Other non-financial assets	322	27	349	210	38	248
Total assets	**43,089**	**403,727**	**446,816**	**343,037**	**54,892**	**397,929**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,041	-	2,041	304,651	-	304,651
Borrowings (other than debt securities)	-	622	622	2,500	-	2,500
Lease Liabitlties	5	5	10	8	9	17
Other financial liabilities	1,003	-	1,003	872	-	872
Non-financial Liabilities						
Current tax liabilities (Net)	637	-	637	585	-	585
Deferred tax liabilities (Net)	-	256	256	-	-	-
Provisions	885	-	885	835	-	835
Other non-financial liabilities	769	3	772	1,838	3	1,841
Total liabilities	**5,340**	**886**	**6,226**	**311,289**	**12**	**311,301**

(All amounts in Rs. lakhs, unless otherwise stated)

34 Earnings per equity share

Computation of basic & diluted earnings per share is given below:

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Basic & Diluted earnings per share		
Net profit after tax available for equity shareholders **(A)**	843	11,647
Weighted average number of equity shares outstanding for basic and diluted EPS **(B)**	105,378,922	47,011,394
Basic & Diluted earnings per share **(A/B)** (Rs.)	0.80	24.78
Nominal value per share (Rs.)	100	100

35 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 meet 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.

(All amounts in Rs. lakhs, unless otherwise stated)

36 Related party disclosures

As per Ind AS 24 on 'Related Party Disclosure', as prescribed by the Rules, the related parties are as follows:

(a) Names of related parties and nature of relationship:

1 Holding Company:
HSBC Investment Bank Holdings B.V.

2 Ultimate holding company:
HSBC Holdings plc

3 Intermediate holding companies:
HSBC Finance (Netherlands) Ltd.
HSBC Holdings B.V.

4 Subsidiaries:
HSBC Asset Management (India) Private Limited
HSBC InvestDirect (India) Private Limited
HSBC InvestDirect Financial Services (India) Limited
HSBC InvestDirect Sales & Marketing (India) Limited
HSBC InvestDirect Securities (India) Private Limited
HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)

5 Fellow subsidiaries/Enterprise managed by subsidiaries
The Hongkong and Shanghai Banking Corporation Limited – India branches (HSBC – India)
The Hongkong and Shanghai Banking Corporation Limited – Hongkong (HSBC – Hongkong)
HSBC Bank plc
HSBC Global Services Limited
HSBC Global Services (UK) Limited
HSBC Global Services (Hong Kong) Limited
HSBC Indian Equity Fund
HSBC Securities (Canada) Inc.
HSBC Global Asset Management (Hongkong) Limited
HSBC Electronic Data Processing (India) Private Limited
HSBC Electronic Data Processing Philippines Inc
HSBC Electronic Data Processing Gunagdong Limited
HSBC Software Development (India) Private Limited
HSBC Software Development Guangdong Limited
Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited
HSBC Group Management Services Limited
HSBC Professional Services India (Private) Limited
HSBC Agency India Private Limited
HSBC Global Asset Management (UK) Limited
HSBC Securities (USA) Inc.
The Hongkong and Shanghai Banking Corporation Limited - Singapore
HSBC Instituional Trust Services (Asia) Limited

6 Key Management Personnel:
Mr. Yogesh Aggarwal, Director
Mr. Mudit Tayal, Director
Mr. Amitabh Malhotra, Director
Mr. Brij Bhushan, Director
Ms. Anita Mishra, Director, wef April 27, 2022

HSBC Securities and Capital Markets (India) Private Limited
Notes to Standalone Financial Statements for the year ended March 31, 2023(Continued)

(All amounts in Rs. lakhs, unless otherwise stated)

Related Party disclosures – Transactions with related parties (Continued)

Particulars	**With Utlimate Holding Company**		**With Holding Company**		**With Subsidiary Companies**		**With Fellow subsidiaries and enterprises managed by subsidiaries**		**With Key Management Personnel and their relatives**	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Revenue from operations										
Brokerage	-	-	-	-	6	1	62	317	-	-
Corporate finance and advisory fees	-	-	-	-	-	-	1,218	174	-	-
Service income	-	-	-	-	-	-	5,415	5,013	-	-
Interest income	-	-	-	-	-	-	2,853	147	-	-
Expenses										
Remuneration to Key Managerial Personnel	-	-	-	-	-	-	-	-	739	1,494
Finance Cost	-	-	-	-	-	-	2,226	-	-	-
Fees for advisory services	-	-	-	-	-	-	-	637	-	-
Recovery of shared cost	-	-	-	-	(16)	(22)	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	604	528	-	-
Global Research Recharge - Support service	-	-	-	-	-	-	5,752	6,153	-	-
Legal and Professional fees	-	-	-	-	(21)	(17)	418	107	-	-
Market data cost	-	-	-	-	-	-	-	24	-	-
Bank charges and Guarantee charges	-	-	-	-	-	-	2	- *	-	-
Repair and maintenance - Computer	-	-	-	-	-	-	874	428	-	-
Conveyance expense	-	-	-	-	-	-	6	3	-	-
Restricted share plan	461	111	-	-	-	-	-	-	-	-
Bank Deposit placed	-	-	-	-	-	-	752,997	381,200	-	-
Bank Deposit matured	-	-	-	-	-	-	749,897	373,598	-	-
Issuance of Shares	-	-	351,696	-	-	-	-	-	-	-
Purchase of investments	-	-	-	-	343,631	-	-	-	-	-

* Amount less than the rounding off norms of the Company.

(All amounts in Rs. lakhs, unless otherwise stated)

Related Party disclosures (Continued)
Balance with related parties

Particulars	With Ultimate Holding Company		With Subsidiary Companies		With Fellow subsidiaries and enterprises managed by subsidiaries	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Assets						
Deposit for Office Premises	-	-	-	-	35	35
Investment in subsidiaries	-	-	446,279	102,648	-	-
Balances in Current Accounts	-	-	-	-	88	64,496
Balances in bank deposits	-	-	-	-	11,300	8,200
Interest Receivable	-	-	-	-	3	2
Trade receivable	-	-	11	14	4,193	1,011
Other non financial Assets	-	-	-	-	1	16
Liabilities						
Trade payable	-	-	-	-	1,839	63
Restricted share plan payable	461	111	-	-	-	-

(All amounts in Rs. lakhs, unless otherwise stated)

37 Segment Information

(a) Description of segments and principal activities

The Company has identified three reportable segments of its business, as below:

1 Broking Income — The Company carries out stock broking activities through trading rights on BSE Limited and The National Stock Exchange of India Limited with dealings in Indian securities for both Indian and International-Institutional clients and for the selected retail clients.

2 Global Banking (Corporate finance and advisory fees) — The Global Banking business in Mumbai, offers a full range of investment banking services in India and Internationally.

3 Research — The Company also renders Research services to its group entities.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relates to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable".

(b) Segment revenue

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Broking Income	7,950	7,789
Global Banking Income	5,246	3,950
Research	5,565	5,045
Unallocable	3,640	14,357
Total Segment Revenue	**22,401**	**31,141**

A recociliation of revenue to profit after tax is provided as follows:

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Segment Revenue		
Broking	7,950	7,789
Global Banking	5,246	3,950
Research	5,565	5,045
Segment Expenses		
Broking	8,550	9,213
Global Banking	4,948	5,251
Research	4,332	4,031
Segment Operating Income		
Broking	(600)	(1,424)
Global Banking	298	(1,301)
Research	1,233	1,014
Unallocable Expenses	(2,988)	(412)
Operating Income	(2,057)	(2,123)
Other Income	**3,639**	**14,357**
Net profit before tax	**1,582**	**12,234**
Provision for income tax	(699)	(555)
Deferred tax (charge)	(40)	(32)
Net profit after tax	**843**	**11,647**

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers	Year ended	
	March 31, 2023	March 31, 2022
India	12,679	25,842
UK	5,415	5,125
Other countries	4,307	174
Total	**22,401**	**31,141**

(d) Segment assets

Segment assets are measured in the same way as in the financial statements.These assets are allocated based on the operations of the segment.

Particulars	As at	
	March 31, 2023	March 31, 2022
Broking Income	14,431	324,511
Global Banking Income	4,327	321
Research	2,837	1,012
Unallocable	425,221	72,085
Total Segment assets	**446,816**	**397,929**

(e) Segment liabilities

Segment Liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operation of the segment.

Particulars	As at	
	March 31, 2023	March 31, 2022
Broking Income	1,052	307,580
Global Banking Income	1,196	350
Research	2,437	288
Unallocable	1,541	3,083
Total segment liabilities	**6,226**	**311,301**

38 Additional regulatory information required by Schedule III of the Companies Act, 2013

i) Details of Benami Property held

No proceedings have been initaited 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 has not availed any borrowings that have been secured against current assets during the current year.

iii) Wilful Defaulter

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

iv) Relationship with Struck off Companies

To the best of our knowledge, the Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

v) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered by the Company with Registrar of Companies beyond the statutory period.

vi) Compliance with number of layers of companies

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

vii) 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.

viii) Utilisation of borrowed funds and share premium

A In the current financial year, the company has further invested Rs. 343,631 (March 31, 2022: Nil) in AMIN for the acquiring the shares of LTIM by AMIN (Refer note 6).

(i) The details of investment are as follows:

(a) Date of investment	November 23, 2022
(b) Amount of investment	Rs. 343,631
(c) Complete details of AMIN (Intermediary):	
Name	HSBC Asset Management (India) Private Limited
Address	9-11 Floors, NESCO IT Park Building no. 3, Western Express Highway, Goregaon (East), Mumbai – 400 063
PAN	AABCH0007N
Relationship with HSCI	Wholly owned Subsidiary
(d) Date of funds further invested	November 25, 2022 and December 2, 2022
(e) Amount of further investments	Rs. 348,195
(f) Complete details of LTIM (Ultimate Beneficiary):	
Name	L&T Investment Management Limited (known as HSBC Consultancy Services (India) Limited wef. May 17, 2023)
Address	Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098. The registered office wef November 25, 2022 is: 9-11 Floors, NESCO IT Park Building no. 3, Western Express Highway, Goregaon (East), Mumbai - 400 063
PAN	AABCC5819R
Relationship with HSCI	Subsidiary

(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).

B On September 30, 2022, the company invited its shareholders to subscribe to a private placement of 119,017,586 equity shares at an issue price of Rs. 295.50 per share (Face value of Rs. 100) (Refer Note 19).

(i) The details of investment are as follows:

(a) Date of funds received	October 3, 2022
(b) Amount	Rs. 351,696
(c) Complete details of HIBV (Funding Party)	
Name	HSBC Investment Bank Holdings B.V.
Address	8 Canada Square, London, United Kingdom E14 5HQ
Relationship with HSCI	Holding Company
(d) For details of further investment, refer to point A *	

(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).

* The un-utilized balance of Rs. 8,065 as at March 31, 2023 is parked in Bank deposits and Mutual fund.

ix) Undisclosed Income

There is no income surrendered or disclosed as income during the current or pervious year in the tax assessments under the Income Tax Act, 1961 that has not been recorded in the books of account.

x) Details of crypto currency or virtual currency

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

xi) Valuation of Property, Plant and Equipment and Intangible Assets

The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible asstes or both during the current or previous year.

xii) Financial Ratios

Considering, the Company is engaged in providing broking services, Global Banking (corporate finance and advisory) services and research services, the financial ratios as prescribed under Division III of Schedule III of the Companies Act, 2013, are not applicable to the Company.

(All amounts in Rs. lakhs, unless otherwise stated)

39 Contingent Liabilities

(a) Direct tax and indirect tax matters disputed by the Company are Rs. 63,903 (March 31, 2022 : Rs. 60,799).
Bank Guarantees by the Company are Rs. 1,000 (March 31, 2022 : Rs. 4,000)

(b) **Provident fund**

The Honourable Supreme Court had provided a judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the Management, the aforesaid matter is not likely to have a significant impact, and accordingly no provision has been made in these financial statements.

40 Restricted share plan

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 during the year ended March 31, 2013 to March 31, 2023.

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**
Opening balance	179,326	99,171
Granted/adjusted during the year	87,672	148,312
Exercised during the year	-	-
Forfeited/Lapsed/cancelled during the year	(77,021)	(68,157)
Closing balance	**189,977**	**179,326**

Total expenses arising from restricted share plan 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**
Restricted share plan	461	111
Total	**461**	**111**

41 Previous year figures

Previous year figures are re-grouped wherever necessary to confirm to current year's classification.

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

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

Sd/ -
Sharad Agarwal
Partner
Membership No: 118522

Sd/ -
Brij Bhushan
Director
(DIN 09288911)

Sd/ -
Mudit Tayal
Director
(DIN 07769502)

Sd/ -
Saurabh Gupta
Company Secretary
Membership No. 44440

Mumbai
July 10, 2023

Mumbai
July 10, 2023