HSBC Asset Management

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH, 2022

The Shareholders
HSBC Asset Management (India) Private Limited

The Board of Directors of HSBC Asset Management (India) Private Limited (the Company/AMIN) has pleasure in presenting the Twentieth Annual Report and the Audited Financial Statements of the Company for the financial year ended (FY) 31 March 2022.

1. FINANCIAL RESULTS

The Financial Statements for the year ended 31 March 2022 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31 March 2022.

The performance of the Company during the FY 2021-22 is summarized below:

(Rupees in Lakhs)

Particulars	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Total Income	11,863	9,761
Total Expenses	7,914	7,361
Profit / (Loss) before Tax and exceptional Item	**3,949**	**2,400**
Exceptional Items	0	0
Profit / (Loss) before Tax	3,949	2,400
Provision for Tax (including Current, Deferred and MAT)	1,164	573
Profit/(Loss) After Tax	**2,785**	**1,827**
Other Comprehensive Income (Net of Tax)	11	-1
Total Comprehensive Income for the year	**2,774**	**1,828**

2. APPROPRIATIONS

The Company does not propose to transfer any amount to the general reserves. An amount of Rs. 2,785 lakhs is proposed to be retained in the statement of profit and loss.

3. DIVIDEND

The Directors do not recommend any dividend for the FY 2021-22.

4. OPERATIONS

a) Mutual Fund

During the year, the following schemes were launched by HSBC Mutual Fund (HMF)

Details of schemes launched

S. No	Scheme name	Date of launch	Amount collected in NFO (in Rupees Crs.)
1	HSBC Midcap Fund	6 September 2021	1,316.32
2	HSBC CRISIL IBX 50:50 Gilt Plus SDL Apr 2028 Index Fund	15 March 2022	1,604.71

As on 31 March 2022 the HMF had asset under management (AUM) of Rs. 13,416.91 crores under schemes of HMF and Rs. 21,793.83 crores under HMF advisory mandate as against the AUM of Rs. 10,093.86 crores under schemes of HMF and Rs. 15,572.62 crores under HMF advisory mandate in the previous year.

b) Portfolio Management Services (PMS)

PMS offers discretionary, non-discretionary and advisory solutions to investors, including institutional investors (foreign and Indian), insurance companies, pension funds, large individual investors, welfare trusts, fund of funds among others.

As on 31 March, 2022, the Company has an AUM of about Rs. 170.46 Crores as on 31 March 2022 as against Rs. 27.23 Crores as on 31 March 2021.

5. ABOUT COVID-19

Due to the COVID – 19 pandemic, the focus has been to ensure health and well-being of all employees and on minimising disruption of services to all its customers. It has enabled work from home for all of its staff, the Company has also provided the office infrastructure facilities as per the HSBC Group guidance and towards the end of the financial year the staff has resumed office and works remotely as well based on the requirement. The staff has continued to interact with all the customers, service providers and stakeholders remotely with efficacy. As you are aware, the revenue of the Company depends on the AUM it manages and changes in economic and market conditions may have an impact on its operations. The Company continues to closely monitor the material changes in markets and future economic conditions. We would like to assure all our stakeholders that the affairs of the Company are being run efficiently and seamlessly.

6. INVESTOR SERVICES

The number of official points of acceptance of transactions is 204 locations. In addition to the offices of the Registrar & Transfer agents, AMIN has investor service centres in 9 locations at its own offices - namely Mumbai, New Delhi, Kolkata, Bangalore, Pune, Ahmedabad, Hyderabad, Chandigarh and Chennai. With a view to enhance customer convenience, AMIN has the facility of priority based servicing to key distributors through the enhancement of the Interactive Voice Reponses. AMIN has a single toll free number which can be dialled from anywhere in India. The call centre service is being managed by the Registrar & Transfer Agents.

On the distribution front, the number of empanelled distributors was 1069 as on 31 March 2022. During the year, AMIN initiated tie-ups for online distribution of the HMF's schemes with several channel partners taking the total number of such tie-ups to 52.

7. ANNUAL RETURN

The annual return that would be filed by the Company with the Registrar of Companies in form MGT-7 can be viewed at https://www.assetmanagement.hsbc.co.in/en/mutual-funds

8. BOARD MEETINGS

During the FY 2021-2022, 7 (Seven) meetings of the Board of Directors of the Company were held on the following dates:

Date of Board meeting	Directors present
18 May 2021	Dr. Indu Shahani Mr. Dinesh Mittal Mr. Ravi Menon
19 July 2021	Dr. Indu Shahani Mr. Dinesh Mittal Mr. Ravi Menon
30 August 2021	Dr. Indu Shahani Mr. Dinesh Mittal Mr. Ravi Menon
21 October 2021	Dr. Indu Shahani Mr. Dinesh Mittal Mr. Ravi Menon
23 December 2021	Dr. Indu Shahani Mr. Dinesh Mittal Mr. Ravi Menon
21 January 2022	Dr. Indu Shahani Mr. Dinesh Mittal Mr. Ravi Menon

Date of Board meeting	Directors present
2 March 2022	Dr. Indu Shahani Mr. Dinesh Mittal Mr. Ravi Menon

9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company is committed to Corporate Social Responsibility (CSR) and demonstrates this by contributing to the economic and social development of the communities and safeguarding the environment. Your Company has taken dynamic CSR activities and touched hundreds of lives.

During the FY 2021-2022, your Company supported United Way of Mumbai (UWM) and spent Rs. 28.52 lakhs towards CSR in order to comply with Section 135 of the Companies Act, 2013. The said amount was provided to UWM towards 'Vaccination of eligible, socially and economically disadvantaged population & special needs groups' through "Vaccine on Wheels".

The CSR committee comprises Dr. Indu Shahani, Mr. Dinesh Mittal and Mr. Ravi Menon. During the FY 2021-22, one meeting of the CSR committee of the Company was held on 21 October 2021 and it was attended by all the members.

In order to ensure compliance with the applicable provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the CSR Rules") dated 22 January 2021, the Company has disclosed on the website the CSR Policy, CSR committee composition and CSR Projects are placed on the website of the Company.

The Annual Report on CSR activities, as prescribed under Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is appended to this report as **Annexure A**.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of your Company confirm:

i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the profit of the Company for the year ended on that date;
iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
iv. that the annual accounts have been prepared on a 'going concern' basis; and

v. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

11. LOANS OR GUARANTEES

The Company has not provided any loans or guarantees under the provisions of section 186 of the Companies Act, 2013.

12. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the financial year were on arm's length basis and were in ordinary course of business. Accordingly, the disclosure of related party transactions as required pursuant to provisions of Section 134(3)(h) of Companies Act 2013 in form AOC 2, prescribed in Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

13. CONSERVATION OF ENERGY TECHNOLOGY ABORPTION, EXPORT & FOREIGN EARNING AND OUTGO

As the Company is the asset management company to HMF and provides portfolio management services, no reporting in respect of conservation of energy and technology absorption is required.

During the year, the Company incurred expenditure of Rs. 7.94 crores [Previous year Rs. 6.66 crores] in foreign exchange and earned Rs. 45.60 crores [Previous year Rs. 35.98 crores] in foreign exchange.

14. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation and intimidation. Accordingly, your Company has in place a Policy for Prohibition, Prevention, & Redressal of Sexual Harassment of Women at the Workplace and an Internal Complaints Committee is set up to redress complaints received regarding sexual harassment. During the FY 2021-2022, no complaints were received.

15. RISK MANAGEMENT FRAMEWORK

HSBC Enterprise Risk Management Framework has five main components: culture and values, risk governance roles and responsibilities, processes and tools and internal controls. Our values of being open, connected and dependable are the foundations of our risk culture and help us make the right decisions and take the appropriate risks.

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

1st Line: comprises predominantly management of businesses who are accountable and responsible for their day to day activities and processes, their management of risks arising and the controls to mitigate those risks.

2nd Line: comprises predominantly the governance functions (e.g., Risk teams, Compliance teams etc.) whose role is to ensure that the Group meets its risk management and internal control responsibilities in relation to the risks they are responsible for overseeing

3rd Line: is Global Internal Audit. Global internal audit provides independent assurance to the Group over the design and operation of HSBC's risk management, governance and internal control processes.

Risk management is an integral part of the way we do business. We have detailed risk management procedures to comply with local regulatory guidelines and internal Group policies. The Group has issued internal guidelines named as “Functional Instruction Manual” which are required to be complied comprehensively. These are global best practice guidelines for each functional/business area. These guidelines have been prepared based on years of experience and are in a number of cases more stringent than the local regulatory requirements.

An experienced risk management team monitors Investment, liquidity and counterparty limits and any exceptions are deliberated in Risk Management Meeting (RMM) meetings that are held bi-monthly. The scope and remit of the AMIN RMM extends to the entire business of AMIN and HMF including managed account portfolios and sub-advised accounts.

AMIN RMM is responsible for setting, within the context of the Group direction, local regulations, the risk management strategy and appetite, policies and control standards for AMIN and to monitor their implementation. In this regard, the AMIN RMM will review the material risks affecting AMIN business and is responsible for the oversight of the risk and internal control environment in AMIN.

Risk team also actively participates on various other Governance Forums like Front Office Management Committee, Local Product Committee etc. The Head Risk also chairs the Valuation and Pricing Committee.

16. RISK MANAGEMENT COMMITTEE

To comply with the requirements of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (SEBI) circular dated 27 September 2021 outlining updated Risk Management Framework for Mutual Funds, the Board of Directors at its meeting held on 2 March 2022 has constituted a Risk Management Committee (RMC) reporting to the Board of Directors which comprises Dr. Indu Shahani, Mr. Dinesh Mittal and Mr. Ravi Menon as members of the RMC and the Company CRO shall report to the RMC and attend each meeting. During the FY 2021-22, no meeting of the RMC was held.

The scope of the Committee is to provide oversight, governance, recommendations and advice on all matters related to the risk management framework rolled out in Company under the aforementioned SEBI circular and is expected to meet quarterly.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As required by SEBI, the Board of Directors of the Company comprises minimum 50% directors who are not associated in any manner with, the Sponsor of HMF (HSBC Securities and Capital Markets (India) Private Limited) or any of its subsidiaries or the Trustees of HMF.

The list of directors of AMIN as on 31 March 2022 is as follows:

Sr. No.	Name of the Director	DIN
1.	Dr. Indu Shahani	00112289
2.	Mr. Dinesh Mittal	00040000
3.	Mr. Ravi Menon	00016302

18. DEPOSITS

The Company has not accepted any deposits from the public or employees during the year under review.

19. SIGNIFICANT AND MATERIAL ORDERS

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

20. AUDITORS

Pursuant to section 139 and 141 of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. F012754N/N500016) (PWC), Mumbai, had been re-appointed as Auditors of the Company at the 18th Annual General Meeting (AGM) held on 22 September, 2020, for a period of five consecutive years i.e. for the 2nd term of 5 years commencing from conclusion of 18th AGM to the conclusion of 23rd AGM.

Pursuant to section 139 and 141 of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014, PWC had confirmed that their appointment is in accordance with the Section 139 of the Companies Act, 2013 and the Rules made thereunder and that they are not disqualified in terms of section 141 of the Companies Act, 2013.

21. COST RECORDS

As your Company is not a manufacturing company, the cost records are not required to be maintained as required under Companies Act, 2013.

22. SECRETARIAL STANDARDS

Your Company has complied with all the applicable Secretarial Standards.

23. CORPORATE PHILOSOPHY AND COMPLIANCE

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

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the reliable financial disclosures. This framework provides adequate financial controls with reference to financial statements commensurate with the business and operations of the Company. During the year, there was no adverse observations received from Statutory auditors of the Company for inadequacy of such controls.

25. COMMENTS ON AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks made by PWC in their report.

26. REGISTERED OFFICE

During the financial year, your Company has changed its registered office from 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 to 9-11 floors, NESCO IT Park, Building no.3, Western Express Highway, Goregaon (East), Mumbai – 400 063.

27. MATERIAL CHANGES COMMITMENTS

There have been no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year i.e. 31 March 2022 to which the Financial Statements relate and the date of the report.

28. CHANGE IN THE NATURE OF BUSINESS

During the FY 2021-22, there has been no change in the nature of the business of your Company.

29. HUMAN RESOURCES

Your Company recognises people as its most valuable asset and it has built an open and transparent culture to nurture this asset. Your Company had 115 permanent employees on the rolls of your Company as on 31 March 2022.

30. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, none of the companies have become or ceased to be its subsidiaries, joint ventures or associate companies.

31. ACKNOWLEDGEMENTS

The Company maintained cordial relationships with regulatory authorities, financial institutions, banks and investors during the year under review. The Directors are grateful for the support extended by them and look forward to receiving their continued support and encouragement. The Directors wish to place on record their appreciation to the employees of the Company for their dedication and commitment.

By authority of the Board

Sd/-	Sd/-
Dr. Indu Shahani	**Ravi Menon**
Director	Whole Time Director & Chief Executive Officer
DIN – 00112289	DIN – 00016302

Place: Mumbai
Date: 29 June 2022

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ANNEXURE – A

DRAFT ANNUAL REPORT ON CSR ACTIVITIES TO BE INLCUDED IN BOARD 'S REPORT FOR THE FINANCIAL YEAR 2021-2022

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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

1. Promoting Education
2. Environmental Sustainability

Within Promoting Education focus is particularly on:

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

Within the Environmental Sustainability focus is particularly on:

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

2. The composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Indu Shahani	Independent Director	1	1
2	Ravi Menon	Whole Time Director & Chief Executive Officer	1	1
3	Dinesh Mittal	Independent Director	1	1

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3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: https://www.assetmanagement.hsbc.co.in/en/mutual-funds/about-us/corporate-social-responsibility-policy**

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). – Not Applicable**

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not Applicable.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2021-2022	NA	NA

6. **Average net profit of the Company for last three financial years:**
Average net profit: Rs. 2,558 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): The Company was required to spend INR 2,852,000 towards CSR.
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
(c) Amount required to be set off for the financial year, if any: NIL
(d) Total CSR obligation for the financial year (7a+7b-7c). INR 2,852,000

8. (a) CSR amount spent or unspent for the financial year:

	Amount Unspent (in Rs.)				
Total amount Spent for the Financial Year. (in Rs.)	**Total Amount transferred to Unspent CSR Account as per section 135(6).**		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of Transfer**
INR 2,852,000	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **N.A.**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII of the Act.	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	CSR project or activity identified	Item from the list of activities in schedule VII to the Act.	Local area (Yes/	Location of the project		Amount spent for the Project (in Rs).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing gency.	
				State	District			Name	CSR Registration No.

1	Vaccination of eligible, socially and economically disadvantaged population & special groups requiring attention	The activities are related to COVID 19 relief and recovery under item no. (i) and (xii) of Schedule VII – Covid-19 relief recovery relating to promotion of health care, including preventive health care; and Disaster management including relief activities	Yes	Maharashtra	Mumbai Metropolitan Region (includes Mumbai and suburban areas), Ratnagiri, Pune, Satara	2,852,000	No	United Way of Mumbai	CSR00000762

(d) Amount spent in Administrative Overheads – **NIL (borne by the company)**
(e) Amount spent on Impact Assessment, if applicable - **NIL**
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – INR **2,852,000**
(g) Excess amount for set off, if any **– NIL**

Sl No.	Particulars	Amount (in Rs.) (in lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	**2,852,000**
(ii)	Total amount spent for the Financial Year	**2,852,000**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**NIL**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**-**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**-**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sl No.	**Preceding Financial Year**	**Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)**	**Amount spent in the reporting Financial Year (in Rs.)**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any**			**Amount remaining to be spent in succeeding financial years (in Rs.)**
				Name of the Fund	**Amount (in Rs.)**	**Date of transfer**	
N.A.							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Sl No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount Allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project – Completed /Ongoing.**
				N.A.				

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).: None

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: N.A.

Sd/-
Mr. Ravi Menon
Chief Executive Officer & Whole Time Director
DIN: 00016302

Sd/-
Dr. Indu Shahani
Chairman CSR Committee
DIN: 00112289

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of HSBC Asset Management (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

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

   We have nothing to report in this regard.

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

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

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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

10. 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.

11. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;

    (e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;

ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2022.

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, 2022.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 35 (vii) (a) and (vii) (b) to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 35 (vii) (a) and (vii) (b) to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year. Accordingly, reporting under Section 123 of the Act is not applicable to the Company.

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

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

Ketan Asher

Partner
Membership Number: 113522

UDIN: 22113522ALVWSW7429

Mumbai
Date : June 29, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements as of and for the year ended March 31, 2022

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

1. We have audited the internal financial controls with reference to financial statements of HSBC Asset Management (India) Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of HSBC Asset Management (India) Private Limited on the financial statements as of and for the year ended March 31, 2022

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Ketan Asher
Partner
Membership Number: 113522

UDIN: 22113522ALVWSW7429
Mumbai
Date : June 29, 2022

Annexure B to Independent Auditor's Report

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

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

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

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

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year (Refer Note 35 (x) to the Financial Statements). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment 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 35 (i) to the Financial Statements), and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

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

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

iii. (a) During the year, the Company has made investments in 1 company and 2 Mutual Fund schemes (Refer Note 5 of the Financial Statements). During the year, the company has not granted secured/unsecured advances in nature of loans to companies / firms / Limited Liability Partnerships/ other parties, or stood guarantee, or provided security to companies / firms / Limited Liability Partnerships/ other parties. During the year, the company has not granted any secured loan to companies / firms / Limited Liability Partnerships/ other parties. The company does not have any subsidiary, joint venture and associate.

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

Particulars	**Unsecured Loans to employees (Rs. In Lakhs)**
Aggregate amount granted/ provided during the year	Nil
Balance outstanding as a balance sheet date in respect of the above case	Rs. 1.30

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

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

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

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

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

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 or 186 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 within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

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

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	152	April 01, 2009 to March 31, 2010	Commissioner of Income Tax (Appeals)
Service Tax Law	Service Tax	217	October 2010 to October 2012	Commissioner of Service Tax (Appeals)

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the question of recording the same in the books of account does not arise. (Refer Note 35 (viii) to the financial statements).

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority (Refer Note 35 (iii) to the financial statements).

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

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

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associates during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associates during the year.

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

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, 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 related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act. The Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. The Company is not mandated to have an internal audit system during the year. Accordingly, the reporting under clause (xiv) of the Order is not applicable to the Company.

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

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

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

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

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

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

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

xix. The Financial Ratios Prescribed under Division III of Schedule III of the Act are not applicable to the Company (Refer Note 35 (xiv) to the financial statements). Further, according to the information and explanations given to us and on the basis of ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

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

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

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

Ketan Asher
Partner
Membership Number: 113522
UDIN: 22113522ALVWSW7429

Mumbai
Date : June 29, 2022

HSBC Asset Management (India) Private Limited
Balance Sheet as at March 31, 2022

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	3	61	270
Receivables			
- Trade receivables	4	2,339	2,855
Investments	5	18,559	13,507
Other financial assets	6	76	77
Subtotal		21,035	16,709
Non-Financial Assets			
Current tax assets (Net)	7	1,100	1,496
Deferred tax assets (Net)	8	748	1,163
Property, plant and equipment	9	144	142
Other Intangible assets	10	14	32
Other non-financial assets	11	420	323
Subtotal		2,426	3,156
Total Assets		**23,461**	**19,865**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	12	6	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		934	555
Other financial liabilities	13	355	405
Subtotal		1,295	960
Non-Financial Liabilities			
Current tax liabilities (Net)	14	519	232
Provisions	15	524	501
Other non-financial liabilities	16	824	647
Subtotal		1,867	1,380
EQUITY			
Equity share capital	17	6,159	6,159
Other equity	18	14,140	11,366
Subtotal		20,299	17,525
Total Liabilities and Equity		**23,461**	**19,865**

Amount less than the rounding off norms of the Company.

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

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

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

sd/-

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: Jun 29, 2022

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

sd/-

Dr. Indu Shahani
Director
DIN No: 00112289

sd/-

Ravi Menon
Director &
Chief Executive Officer
DIN No: 00016302

sd/-

Sneha Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: Jun 29, 2022

HSBC Asset Management (India) Private Limited
Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue From Operations			
Fees and commission Income	19	10,490	7,816
Net gain on fair value changes	20	778	1,319
Revenue from Operations		11,268	9,135
Other Income	21	595	626
Total Income		**11,863**	**9,761**
Expenses			
Employee Benefits Expense	22	4,525	4,759
Depreciation and amortization expense	23	67	70
Others expenses	24	3,322	2,532
Total expenses		**7,914**	**7,361**
Profit before tax		3,949	2,400
Tax expense:			
(a) Current tax	25.1	1,109	537
(c) Deferred tax	25.2	55	36
		1,164	573
Profit for the year		**2,785**	**1,827**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined employee benefit plans	15	(13)	1
Income tax relating to items that will not be reclassified to profit or loss #		2	(0)
Other Comprehensive Income		**(11)**	**1**
Total Comprehensive Income for the year		**2,774**	**1,828**
Earnings per equity share (Nominal value of Rs.10/- per share)			
Basic & Diluted (in INR)		4.52	2.97

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

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

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

sd/-

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: Jun 29, 2022

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

sd/-

Dr. Indu Shahani
Director
DIN No: 00112289

sd/-

Ravi Menon
Director &
Chief Executive Officer
DIN No: 00016302

sd/-

Sneha Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: Jun 29, 2022

HSBC Asset Management (India) Private Limited
Statement of Changes In Equity for the year ended March 31, 2022

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

a) Equity Share Capital

Particulars	Number of Shares	Amount
As at March 31, 2020	61,590,908	6,159
Changes in equity share capital	-	-
As at March 31, 2021	61,590,908	6,159
Changes in equity share capital	-	-
As at March 31, 2022	61,590,908	6,159

b) Other Equity

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	Securities Premium	Retained Earnings	
Balance as at March 31, 2020	**900**	**157**	**8,481**	**9,538**
Profit for the year	-	-	1,827	1,827
Other Comprehensive Income	-	-	1	1
Total Comprehensive Income for the year	-	-	**1,828**	**1,828**
Balance as at March 31, 2021	**900**	**157**	**10,309**	**11,366**
Profit for the year	-	-	2,785	2,785
Other Comprehensive Income	-	-	(11)	(11)
Total Comprehensive Income for the year	-	-	**2,774**	**2,774**
Balance as at March 31, 2022	**900**	**157**	**13,083**	**14,140**

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

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

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

sd/-

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: Jun 29, 2022

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

sd/-

Dr. Indu Shahani
Director
DIN No: 00112289

sd/-

Ravi Menon
Director &
Chief Executive Officer
DIN No: 00016302

sd/-

Sneha Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: Jun 29, 2022

HSBC Asset Management (India) Private Limited
Statement of Cash Flows for the year ended March 31, 2022

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

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**			
	Profit before income tax		3,949	2,400
	Adjustments for:			-
	- Loss / (Profit) on Sale / Disposal of Property Plant and Equipment (Net) #	21,24	7	0
	- Unrealised (gain)/loss on forex fluctuation on Trade receivable/payable		(23)	(9)
	- Depreciation and amortisation	23	67	70
	- (Profit)/Loss on sale of investment (net)	20	(257)	(562)
	- Remeasurment of defined benefit plans	15	(13)	1
	- Net (Gain) /Loss on Fair Value Changes on FVTPL assets	20	(521)	(757)
	Operating profit before working capital changes		3,209	1,143
	Adjustments for changes in working capital			
	(Increase) / decrease in other financial assets	6	1	2
	(Increase) / decrease in other non financial assets	11	(97)	6
	(Increase) / decrease in trade receivables	4	538	340
	Increase / (decrease) in trade payables	12	387	(508)
	Increase / (decrease) in other financial liabilities	13	(146)	(305)
	Increase / (decrease) in other non financial liabilities	16	177	408
	Increase / (decrease) in Provisions	15	23	60
			883	3
	Cash generated from operations		4,092	1,146
	Refunds Received/(Payment of taxes) (net)		30	944
	Net cash (used in) / generated from operating activities (A)		**4,122**	**2,090**
B	**Cash flow from investing activities**			
	- Purchase of Investments		(10,676)	(11,982)
	- Purchase of property,plant & equipment and Other Intangible Assets	9 & 10	(58)	(73)
	- Proceeds from sale of investments		6,403	10,225
	Net cash (used in) / generated from investing activities (B)		**(4,331)**	**(1,830)**
	Net change in cash and cash equivalents (A+B)		(209)	259
	Cash and cash equivalents at the beginning of the year		**270**	**11**
	Cash and cash equivalents at the end of the year		**61**	**270**

HSBC Asset Management (India) Private Limited
Statement of Cash Flows for the year ended March 31, 2022 (Continued)

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

Particulars	Notes	March 31,2022	March 31,2021
Components of cash and cash equivalents			
Cash on hand		-	-
In Current account with banks			
- In India with scheduled banks	**3**	61	270
Total cash and cash equivalents		**61**	**270**

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

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

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

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

sd/-

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: Jun 29, 2022

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

sd/-

Dr. Indu Shahani
Director
DIN No: 00112289

sd/-

Ravi Menon
Director &
Chief Executive Officer
DIN No: 00016302

sd/-

Sneha Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: Jun 29, 2022

Background

HSBC Asset Management (India) Private Limited ("the Company") was incorporated on December 12, 2001. The Company is a wholly owned subsidiary of HSBC Securities and Capital Markets (India) Private Limited. Its principal activity is to act as an Investment Manager to HSBC Mutual Fund ("the Fund"). The Company manages the Mutual Fund schemes launched by HSBC Mutual Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated February 7, 2002. The Company is also a SEBI registered Portfolio Manager. The Company has received a certificate from SEBI to act as Portfolio Manager. The said certificate is valid up to September 13, 2023 and to be renewed thereafter. It provides discretionary and advisory Portfolio Management Services (PMS) to its clients. The Company also provides sub-advisory non binding services to its group entities.

Note 1 Summary of Significant accounting policies

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

1. Basis of preparation

1.1 Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

1.2 Historical cost convention

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

1.3 New and amended standard adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for its annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. 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.

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

2. Segment reporting

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

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the Chief Executive Officer & Director who has been identified as the Chief Oerating Decisions Maker. The company presently has a single reportable segment. Necessary disclosure with respect to single reporting segment has been provided in note 37.

3. Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is Company's functional and presentation currency. Except as otherwise indicated, financial statements presented in Indian rupee has been rounded to the nearest lakhs.

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

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

4. Revenue recognition

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

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

The Company applies the five-step approach for recognition of revenue:
- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Management fees

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

Portfolio Management fees

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

Advisory fees

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

Export Incentives

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

5. Income tax

Current taxes

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

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

Deferred taxes

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

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

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

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

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

6. Leases

As a lessee

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

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

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

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

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

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

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

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

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

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

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

7. Impairment of assets

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

8. Cash and cash equivalents

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

9. Trade receivables

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

10. Investments and other financial assets

i. Classification

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

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

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

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

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

ii. Recognition

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

iii. Measurement

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

Debt instruments

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

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

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

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

Equity instruments

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

iv. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27(b) details how the Company determines whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v. Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

vi. Income recognition

Interest income

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

Dividends

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

Profit or loss on sale of investments

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

11. Offsetting financial instruments

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

12. Financial liabilities

i. Classification as debt or equity

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

ii. Initial recognition and measurement:

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

iii. Subsequent measurement:

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

iv. Derecognition:

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

13. Property, plant and equipment

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

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

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

The Asset costing less than INR 35,000 (Previous year : INR 5,000 till August 31, 2020, INR 35,000 from September 1, 2020) are depreciated at 100% in the year of Capitalisation.

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

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

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

14. Intangible assets

Computer software

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

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

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

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

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

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

Amortisation methods and periods
The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:
Computer software 36 months

15. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as financial liabilities. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

16. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

17. Employee benefits

Short-term obligations

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

Post employement obligations

The Company operates the following post-employment schemes:

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

Defined benefit plans (Gratuity)

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

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

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

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

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

Defined contribution plans

Provident fund

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

Other Long term employee benefit obligations (Restricted Share plan/Share based payments)

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.

Bonus

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

18. Contributed equity:

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

19. Earnings per share

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

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

20. New Fund Offer ('NFO') expenses

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

21. Fund expenses

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

22. 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.

Note 2 Use of judgments, estimates and assumptions

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

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

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

As per Companies Act, 2013, Schedule II, part C, the useful life of data processing units like servers and networks is 6 years. However, in respect of the said asset, the estimated useful life, previously assessed by management was 3 years which has been now changed to 5 years w.e.f September 2020. The change in the estimated life from 3 years to 5 years is based on management re-assessment of useful life based on the past usage experience.

Interest in other entities

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

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

3 Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks in current account	61	270
Total	**61**	**270**

4 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable Considered good - Unsecured	924	717
Less: Impairment loss allowance	-	-
	924	**717**
Receivable - Credit Impaired	98	98
Less: Impairment loss allowance (Refer note 27 b)	98	98
	-	**-**
Receivable Considered good - Unsecured-Related Party	1,415	2,138
Less: Impairment loss allowance	-	-
	1,415	**2,138**
Gross	**2,437**	**2,953**
Less: Impairment loss allowance (Refer note 27 b)	98	98
Total	**2,339**	**2,855**

Ageing of Trade receivables as on March 31, 2022

Description	Unbilled	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
considered good	825	1,514	-	-	-	-	2,339
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	98	-	-	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	825	1,514	-	98	-	-	2,437
Less: Impairment loss allowance (Refer note 27 b)	-	-	-	98	-	-	98
Total	**825**	**1,514**	**-**	**-**	**-**	**-**	**2,339**

Ageing of Trade receivables as on March 31, 2021

Description	Unbilled	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
considered good	986	1,869	-	-	-	-	2,855
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	98	-	-	-	98
Disputed Trade Receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Gross	986	1,869	98	-	-	-	2,953
Less: Impairment loss allowance (Refer note 27 b)	-	-	98	-	-	-	98
Total	**986**	**1,869**	**-**	**-**	**-**	**-**	**2,855**

5 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
At Fair Value through Profit or Loss		
Mutual funds units	18,494	13,507
Equity Instruments	65	-
Total Gross	**18,559**	**13,507**
(i) Investments outside India	-	-
(ii) Investments in India	18,559	13,507
Total	**18,559**	**13,507**
Less : Allowance for Impairment	-	-
Total Net	**18,559**	**13,507**

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

6 Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
(A) Loans		
Security Deposit	75	75
Staff Loans	1	2
Total - Gross	**76**	**77**
Less:Impairment loss allowance	-	-
Total - Net	**76**	**77**
(B) (i) Secured by tangible assets	-	-
(ii)Secured by intangible assets	-	-
(iii) Covered by Bank/Government Guarantees	-	-
Unsecured	76	77
Total Gross	**76**	**77**
Less: Impairment loss allowance	-	-
Total Net	**76**	**77**
(C) (I) Loans in India		
(i) Public Sector	-	-
(ii) Others	76	77
Total (C)(I)- Gross	**76**	**77**
Less: Impairment loss allowance	-	-
Total(C)(I) -Net	**76**	**77**
(C) (II)Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (C) (II)- Net	-	-
Total C(I) and C(II)	**76**	**77**

7 Current tax assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Tax, Tax deducted at source, [Net of provision for tax of Rs. 6,667 (March 31, 2021 Rs. 5,529]	1,100	1,496
Total	**1,100**	**1,496**

8 Deferred tax assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Minimum Alternate Tax (MAT) Credit	825	1,185
Depreciation/Amortisation	8	11
Provision for employee benefits	152	145
Bonus payable	64	109
Other Provisions	105	29
Total deferred tax assets	**1,154**	**1,479**
Deferred Tax Liabilities		
Fair value of financial instruments	406	316
Total deferred tax liabilities	**406**	**316**
Net deferred tax assets	**748**	**1,163**

Note: For movement in deferred tax, refer note no. 25.2

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

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

9 Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Office Equipment	Total
Gross Block (At Cost)				
As at March 31, 2020	246	17	26	289
Additions	50	-	-	50
Disposals	(12)	-	(1)	(13)
As at March 31, 2021	284	17	25	326
Additions	58	-	-	58
Disposals	(10)	(17)	(0)	(27)
As at March 31, 2022	332	0	25	357
Depreciation				
As at March 31, 2020	132	6	10	148
Depreciation charge during the year	40	3	6	49
Disposals	(12)	-	(1)	(13)
As at March 31, 2021	160	9	15	184
Depreciation charge during the year	43	1	5	49
Disposals	(10)	(10)	(0)	(20)
As at March 31, 2022	193	(0)	20	213
Net Block				
As at March 31, 2021	124	8	10	142
As at March 31, 2022	139	0	5	144

On account of change in the estimated life of above assets w.e.f September 2020, the carrying amount of assets and profit before tax of the company was higher by Rs. 9.02 and profit after tax and equity is higher by Rs. 6.39 for the year ended March 31, 2021. The future impact of the change in accounting estimate can not be ascertained.

10 Other Intangible Assets

Particulars	Computer Software
Gross Block (At Cost)	
As at March 31, 2020	97
Additions	24
Disposals	-
As at March 31, 2021	121
Additions	-
Disposals	-
As at March 31, 2022	121
Amortisation	
As at March 31, 2020	68
Amortisation during the year	21
Disposals	-
As at March 31, 2021	89
Amortisation during the year	18
Disposals	-
As at March 31, 2022	107
Net Block	
As at March 31, 2021	32
As at March 31, 2022	14

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

11 Other non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to suppliers	1	35
Goods and Service tax / Cenvat Credit	140	114
Prepayments	182	161
Other Receivables	97	13
Total	**420**	**323**

12 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	6	-
Total outstanding dues of creditors other than micro enterprises and small enterprises - Related Party	471	369
Total outstanding dues of creditors other than micro enterprises and small enterprises	463	186
Total	**940**	**555**

Ageing of Trade Payables as on March 31, 2022

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

Ageing of Trade Payables as on March 31, 2021

Description		Outstanding for following periods from the due date				
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables						
Micro enterprises and small enterprises	-	-	-	-	-	
Others	226	278	41	-	10	555
Disputed trade payables						-
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**226**	**278**	**41**	**-**	**10**	**555**

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, 2022	As at March 31, 2021
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:	-	-
- Principal amount	6	-
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of the payment made to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

13 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits payable (including Restricted Share Plan)	259	405
Income Tax Refund Payable	96	-
Total	**355**	**405**

14 Current tax liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax [Net of advance tax and Tax deducted at source Rs. 1,984 (March 31, 2021 Rs. 2,431)	519	232
Total	**519**	**232**

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

15 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for leave absences	74	72
Provision for Gratuity (refer note- (b) below)	450	429
Total	**524**	**501**

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. 183 (31 March 2021 - Rs. 185).

b) Defined benefit plans
Gratuity

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

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

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

	As at March 31, 2021		
Particulars	Present value of obligation	Fair value of plan asset	Net amount
Opening Balance	**367**	-	**367**
Current service cost	59	-	59
Interest cost	23	-	23
Total amount recognised in Profit and Loss	**82**	**-**	**82**
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	3	-	3
(Gain)/loss on account of experience changes	(3)	-	(3)
Total amount recognised in Other Comprehensive Income	**0**	**-**	**0**
Employer Contributions	-	-	**-**
Benefit Payments	(20)	-	(20)
Liabilities assumed/Asset acquired	-	-	**-**
Closing Balance	**429**	**-**	**429**

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	450	429
Fair value of plan assets	-	-
Plan liability net of plan assets	**450**	**429**

(ii) Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit expense:		
Current service cost	58	59
Total	**58**	**59**
Finance costs	25	23
Net impact on the profit before tax	**83**	**82**
Remeasurements of the net defined benefit liability:		
Actuarial gains/(losses) arising from Changes in financial assumption	(8)	3
Actuarial gains/(losses) arising from changes in demographic assumptions	-	(1)
Actuarial gains/(losses) arising from changes actual return on plan assets less interest on plan asset	-	-
Actuarial gains/(losses) arising from changes in experience	21	(3)
Net impact on the other comprehensive income before tax	**13**	**(1)**

(iii) Defined benefit plan assets

Category of assets	As at March 31, 2022	As at March 31, 2021
- Insurer managed funds	-	-
Total	**-**	**-**

(iv) Actuarial assumptions

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.70%	6.40%
Salary escalation rate*	7.00%	7.00%

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

(v) Demographic assumptions

Retirement Age:

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

Particulars	As at March 31, 2022	As at March 31, 2021
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal rate	11%	11%

Disability:

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

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

(vi) Sensitivity

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

As at March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	50bps	(13)	14
Salary escalation rate	50bps	14	(13)

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

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

(vii) Maturity

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

Particulars	As at March 31, 2022	As at March 31, 2021
1st following year	50	62
2nd following year	54	48
3rd following year	62	53
4th following year	64	60
5th following year	67	64
Sum of year 6 and above	414	384

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

(viii) Risk Exposure

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

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

16 Other Non-Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	824	647
Total	**824**	**647**

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

17 Equity share capital

Authorised equity share capital

Particulars	Number of Shares	Amount
As at 31 March 2020	62,000,000	6,200
Increase during the year	-	-
As at 31 March 2021	62,000,000	6,200
Increase during the year	-	-
As at 31 March 2022	62,000,000	6,200

Issued, subscribed and paid-up capital

Particulars	Number of Shares	Amount
As at 31 March 2020	61,590,908	6,159
Increase during the year	-	-
As at 31 March 2021	61,590,908	6,159
Increase during the year	-	-
As at 31 March 2022	61,590,908	6,159

Reconciliation of number of shares

Equity Shares:	As at 31 March 2022		As at 31 March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	61,590,908	6,159	61,590,908	6,159
Add/Less: Movement during the year	-	-	-	-
Balance as at the end of the year	61,590,908	6,159	61,590,908	6,159

Rights, Preferences and restrictions attached to the equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share.

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

Shares held by Holding Company:

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

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

61,509,908 (previous year: 61,509,908) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees. Percentage of holding- March 31, 2022: 100% ; March 31, 2021: 100%

Details of shareholding of promoters

61,509,908 (previous year: 61,509,908) equity shares of Rs.10 each are held by HSBC Securities and Capital Market (India) Private Limited, the Holding Company and its nominees. Percentage of holding- March 31, 2022: 100% ; March 31, 2021: 100%

18 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium	157	157
Capital Redemption Reserve	900	900
Retained Earnings	13,083	10,309
Total	**14,140**	**11,366**

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

Securities Premium

Particulars	**March 31, 2022**	**March 31, 2021**
Opening balance	157	157
Changes during the year	-	-
Closing balance	**157**	**157**

Capital Redemption Reserve

Particulars	**March 31, 2022**	**March 31, 2021**
Opening balance	900	900
Changes during the year	-	-
Closing balance	**900**	**900**

Retained Earnings

Particulars	**March 31, 2022**	**March 31, 2021**
Opening Balance	**10,309**	**8,481**
Add: Profit for the year	2,785	1,827
Items of other comprehensive income recognised directly in Retained Earnings		
- Remeasurement of defined employee benefit plans, net of tax	(11)	1
Closing Balance	**13,083**	**10,309**

Nature and Purpose of Reserves

Securities Premium:

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

Capital Redemption Reserve:

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

Retained earnings:

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

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

19 Fees and commission Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Management fees from		
i) Mutual fund operations (net of GST)	5,727	4,216
ii) Portfolio Management Service (net of GST)	203	2
iii) Advisory Services	4,560	3,598
Total	**10,490**	**7,816**

20 Net gain on fair value changes

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/(loss) on financial instruments at FVTPL		
On Mutual fund	778	1,319
Total (A)	778	1,319
Fair value changes:		
Realised	257	562
Unrealised	521	757
Total (B)	778	1,319
Total	**778**	**1,319**

21 Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gain on account of Foreign Exchange fluctuations (net)	79	-
Interest on Income Tax Refund	515	626
Miscellaneous	1	-
Total	**595**	**626**

22 Employee Benefits Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	4,163	4,412
Contribution to provident and other funds (refer 15-a)	183	185
Gratuity (refer 15-b)	83	82
Leave Absences	29	4
Share based payments (refer note- 32)	30	23
Staff welfare expenses	37	53
Total	**4,525**	**4,759**

23 Depreciation and amortization expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	49	49
Amortisation on other intangible asset	18	21
Total	**67**	**70**

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

24 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent & Utilities	414	448
Repairs and maintenance	473	586
Communication expenses	311	303
Director's Fees, allowances and expenses	7	4
Auditor's Fees [refer a) below]	23	20
Legal and Professional charges	634	93
Insurance	127	126
Travelling and conveyance expenses	13	2
Brokerage and incentives #	99	0
Compensation [refer b) below]	5	7
Scheme related expenses	-	1
Rates and taxes	54	41
Corporate Social Responsibility (CSR) expenses [refer Note 24c)]	29	32
Loss on disposal of Property Plant & Equipment (net) #	7	0
Support service charges	915	601
Business development	186	111
Loss on account of foreign exchange fluctuations (net)	-	45
Recruitment cost	-	3
Membership and subscription	8	2
Office administration	17	9
Provision for Doubtful Debt	-	98
Total	**3,322**	**2,532**

a) Break up of Auditor's Remuneration

Payment to Auditor:	For the year ended March 31, 2022	For the year ended March 31, 2021
- Statutory Audit	23	20
- Other Services	-	-
- Reimbursement of Expenses #	-	-
Total	**23**	**20**

b) Compensation

The Company incurred Rs. 5 (March 31, 2021 Rs. 7) towards compensation paid by the Company to investors / distributors on account of routine processing errors / delays.

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

c) **Contribution for corporate social responsibility (CSR)**

i) Gross amount required to be spent by the company during the year. Rs. 29 Lakhs (Previous year Rs. 32 Lakhs)
ii) Amount approved by the Board to be spent during the year : Rs. 29 Lakhs (Previous year Rs. 32 lakhs)

iii) HSBC Asset Managment India Private Limited has proposed to support United Way Mumbai project "Vaccination of eligible, socially and economically disadvantaged population & special groups requiring attention basis guidance from CSR team of HSBC, India. Towards this end. INR 29 Lakhs, would be utilized to support dozes of vaccine to be administered and would be procured from the government directly and vans rented from abulatory service would be visible on the COWIN app.

Disclosures in relation to corporate social responsibility expenditure:

Details of CSR Expenditure	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent as per Section 135 of the Act	29	32
i) Amount of expenditure incurred		
Contribution to United Way of Mumbai	29	32
Contribution to Other Initiatives	-	-
ii) Amount of cumulative shortfall at the end of the year		
iii) Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	-	-
Other than ongoing project	-	-
Total	**29**	**32**

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

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

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

Balance unspent as at April 01, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	29	29	-

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

Financial Year	Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 21-22	-	-	-	-	-	-	-
FY 20-21	-	-	-	-	-	-	-

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

25.1 Income tax expense

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Income tax expense		
Current tax on profits for the year	1,107	537
Add / (Less) : MAT Credit Entitlement	-	-
MAT Credit (Prior Period)	-	-
Total Current tax expense	**1,107**	**537**
Deferred tax relating to origination and reversal of temporary differences	55	36
Income tax expense	**1,162**	**573**
Other Comprehensive Income		
Income tax relating to items that will not be reclassified to profit or loss	(2)	-
Current Tax	1,109	537
Deferred Tax	55	36

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

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by company's tax rate for the years ended 31 March 2022 and 31 March 2021 is as follows:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Accounting profit before tax	3,949	2,400
At statutory income tax rate of 29.12%* (As at March 31, 2021 - 29.12%)	1,150	699
LTIP	9	7
Corporate Social Responsibility	4	5
Capital Gain on Sale of investment	(8)	(25)
Others	47	-
Deferred Tax on account of different rates	(40)	(113)
Income tax expense reported in the Statement of Profit and Loss	1,162	573
Income tax relating to items that will not be reclassified to profit or loss	2	-
Tax expense as per Profit and Loss Statement	1,164	573

* The Company has opted 25% income tax rate as per the provisions of Section 115BA of the Income Tax Act, 1961.

25.2 Deferred tax

Deferred tax assets

Particulars	As at March 31, 2020	Movement in Profit and Loss [(debit)/credit]	MAT Credit Utilised **	As at March 31, 2021	Movement in Profit and Loss [Debit/(Credit)]	MAT Credit Utilised **	As at March 31, 2022
MAT Credit	1,279	-	94	1,185	-	360	825
Provision for employee benefits	128	(17)	-	145	(7)	-	152
Bonus payable	62	(47)	-	109	45	-	64
Others	18	(11)	-	29	(76)	-	105
Depreciation/Amortisation	15	4	-	11	3	-	8
Total	**1,502**	**(71)**	**94**	**1,479**	**(35)**	**360**	**1,154**
Deferred tax liablities							
Fair value of financial instruments through P&L	(208)	107	-	(316)	90	-	(406)
Total	**(208)**	**107**	**-**	**(316)**	**90**	**-**	**(406)**
Net Deferred Tax	**1,294**	**36**	**94**	**1,163**	**55**	**360**	**748**

** This amount is adjusted against Current Tax Assets

26 Fair value measurement

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

a) Financial Instruments by Category

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

Particulars	As at March 31, 2022			As at March 31, 2021		
	Fair value through Profit or Loss	Fair value through OCI	Amortised cost	Fair value through Profit or Loss	Fair value through OCI	Amortised cost
Financial Assets:						
Cash and cash equivalents	-	-	61	-	-	270
Receivables	-	-	2,339	-	-	2,855
Investments:						
- Mutual fund units	18,494	-	-	13,507	-	-
- Equity instruments	65					
Loans						
-Staff Loans	-	-	1	-	-	2
-Security Deposits	-	-	75	-	-	75
Total Financial Assets	**18,559**	**-**	**2,476**	**13,507**	**-**	**3,202**
Financial Liabilities:						
Trade Payables	-	-	940	-	-	555
Other financial liabilities	-	-	355	-	-	405
Total Financial Liabilities	**-**	**-**	**1,295**	**-**	**-**	**960**

(All amounts in lakhs of Indian Rupees 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. An explanation of each level follows underneath the table.

As at March 31, 2022

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

As at March 31, 2021

Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Mutual fund units	5	13,507	-	-	13,507
- Equity Instruments	5	-	-	-	-
Total financial assets		**13,507**	**-**	**-**	**13,507**

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

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

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

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

The hierarchies used are as follows:

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The instruments are valued based on quoted prices for the similar instruments but for which significant observable adjustments are required to reflect the difference between the instruments.

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

c) Valuation technique used to determine fair value

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

Specific valuation techniques used to value financial instruments include:

The fair value of the closed ended mutual fund units is determined using obervable NAV at the reporting date as declared by the issuer. However, the company may perform an adjustment(e.g. liquidity valuation adjustment in case of thinly traded investment) to the NAV if they consider the same as significant in order to derive the fair value of the Level 2 classified investments.

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

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

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 lakhs of Indian Rupees unless otherwise stated)

27 Financial risk management

Introduction

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

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

a) Market risk

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

i) Foreign exchange risk

The company is exposed to foreign exchange risk primarily through balances arising in the normal course of business that are denominated in a currency other than the Company's functional currency. The Sensivity analysis of foreign currency receivables/payables is depicted below

Particulars	Impact on profit after tax and equity	
	March 31, 2022	March 31, 2021
Rupees – Strengthen 2% (2021 – 3%)	(13)	(38)
Rupees – Weakens 2% (2021 – 3%)	13	38

ii) Interest rate risk

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

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

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

Particulars	Impact on profit after tax and equity	
	March 31, 2022	March 31, 2021
Interest rate – Increase 1% (2021 – 0.5%)	(125)	(45)
Interest rate – Decrease 1% (2021 – 0.5%)	125	45

iii) Price Risk

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

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption that the equity index had changed by 12% (2021 - 5%) with all other variables held constant, and that all the Company's investments moved in line with the index.

Particulars	Impact on profit after tax and equity	
	March 31, 2022	March 31, 2021
NSE Nifty 50 – increase 11% (2021 – 12%)	66	57
NSE Nifty 50 – decrease 11% (2021 – 12%)	(66)	(57)

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

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

b) Credit Risk

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

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

The Company's financial assets subject to the expected credit loss model under Ind AS 109 are cash and cash equivalents, security deposits, trade receivables, staff loans etc.
Staff loans and receivables have been considered to enjoy the low credit risk as they meet the following criteria:
i) they have a low risk of default,
ii) the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term, and
iii) the company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfil its obligations.

The Company has placed security deposit with lessors for premises leased by the Company at various locations in India as at March 31, 2022 of Rs. 74 and March 31, 2021 of Rs. 74. The Company does not perceive any significant decline in credit risk of the lessors where the amount of security deposit is material and hence expected probability of default is considered as zero.

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

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

Particulars	Trade Receivables
Loss allowance on Mar 31, 2020	-
Changes in loss allowance	98
Loss allowance on Mar 31, 2021	**98**
Changes in loss allowance	-
Loss allowance on Mar 31, 2022	**98**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	75	75
Staff loans	1	2
Receivables	2,339	2,855
Cash and cash equivalents	61	270

c) Liquidity risk

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

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

As at March 31, 2021	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade payables	455	-	100	-	-	**555**
Other financial liabilities	-	-	405	-	-	**405**
Total	**455**	**-**	**505**	**-**	**-**	**960**

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

28 Capital Management
Risk management

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

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

29 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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	61	-	61	270	-	270
Receivables						-
(I) Trade receivables	2,339	-	2,339	2,855	-	2,855
Loans	76	-	76	77	-	77
Investments	16,489	2,070	18,559	11,767	1,740	13,507
Non-financial assets						
Current tax assets (Net)	-	1,100	1,100	-	1,496	1,496
Deferred tax assets (Net)	-	748	748	-	1,163	1,163
Property, plant and equipment	-	144	144	-	142	142
Other intangible assets	-	14	14	-	32	32
Other non-financial assets	-	420	420	-	323	323
Total assets	**18,965**	**4,496**	**23,461**	**14,969**	**4,896**	**19,865**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	6	-	6	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	934	-	934	555	-	555
Other financial liabilities	355	-	355	405	-	405
Non-financial Liabilities				-	-	-
Current tax liabilities (Net)	519	-	519	232	-	232
Provisions	74	450	524	72	429	501
Other non-financial liabilities	824	-	824	647	-	647
Total liabilities	**2,712**	**450**	**3,162**	**1,911**	**429**	**2,340**

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

30 Contingent Liabilities and Contingent Assets

a) Direct tax matters disputed by the Company are Rs. 663 (March 31, 2021 : Rs. 579)

b) Indirect tax matters disputed by the Company are Rs. 225 (March 31, 2021 : Rs. 225)

31 Employee share based payments

a) HSBC Asset Management (India) Private Limited - Employee share based payment scheme (equity settled):
Restricted share plan represents restricted stock award granted to select high potential employees. Shares are awarded through Restricted Shares of HSBC Holdings Plc. At the end of the vesting period the shares awarded will be transferred to the employee provided the employee continues to be in employment. These restricted shares have been awarded to the employees.

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

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
	Number of shares	**Number of shares**
Outstanding at the beginning of period	10,393	14,875
Granted	5,834	957
Exercised	-	(4,878)
Released	(4,821)	(261)
Forfeited	-	(300)
Transferred in	-	-
Outstanding at the end of period	**11,406**	**10,393**

b) Expense arising from share-based payment transactions

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

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
HSBC Asset Management (India) Private Limited - Employees share based payment scheme (equity settled)	30	23
Total	**30**	**23**

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

32 Earnings per equity share

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic & Diluted earnings per share		
Net profit after tax available for equity shareholders (A)	2,785	1,828
Weighted average number of equity shares outstanding for basic and diluted EPS (B)	61,590,908	61,590,908
Basic and Diluted earnings per share (A) / (B)	4.52	2.97
Nominal value per share	10	10

33 Investment in unconsolidated structured entities

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

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

Particulars	Asset Under Management of the scheme	
	As at March 31, 2022	As at March 31, 2021
Financial investments classified as FVTPL		
HSBC Mutual Fund - HSBC Short Duration Fund	25,322	15,391

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

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in HSBC Short Duration Fund	4,247	4,053
Management Fees receivable	22	46
Total	**4,269**	**4,099**

34 Impact of COVID 19 Note to overall market/economy

The Company is in the business of Asset Management and its operations are included in essential services and have continued through the COVID situation. The Company has made an assessment of its liquidity position applying stress scenarios. The Company believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements.

The Company has further assessed the recoverability and carrying value of its assets comprising Investments, Property, Plant and Equipment, Intangible assets and other assets as at balance sheet date, and has concluded that there are no material adjustments required in the financial Statements.

Note - 35 : Additional Regulatory Information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

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

(iii) Wilful Defaulter

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

(iv) Relationship with struck off Companies

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

(v) Compliance with number of layers of companies

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

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

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

(vii) Utilisation of Borrowed funds and Share premium

a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed Income

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

(ix) Details of cypto currency of virtual currency

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

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

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

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

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

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

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

(xiii) Loans or advances to any key management personnel

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

(xiv) Financial Ratios

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

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

36 Related party disclosures

As per Ind AS 24 on 'Related Party Disclosure', the releated parties are as follows
Names of related parties and nature of relationship

1 Holding Company
HSBC Securities and Capital Markets (India) Private Limited

2 Ultimate Holding Company
HSBC Holdings PLC

3 Fellow subsidiaries
The Hong Kong and Shanghai Banking Corporation Limited - India Branches
HSBC Global Asset Management (Hong Kong) Limited
HSBC Software Development (India) Private Limited
HSBC Electronic Data Processing (India) Private Limited
HSBC Global Asset Management Limited
The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong
HSBC Bank Plc.
HSBC Group Management Services Limited
HSBC Global Services Limited
HSBC Global Services (Hong Kong) Limited
HSBC Global Services (UK) Limited

4 Key management personnel
Mr. Ravi Menon (CEO & Director)
Mr. Dinesh Kumar Mittal (Director)
Dr. Indu Shahani (Director)

(i) Transactions during the year are as under:

	with Holding Company	with Ultimate Holding Company	with fellow Subsidiaries	with Key Management Personnel
Advisory fees	-	-	4,560	-
	-	-	(3,598)	-
Managerial Remuneration @	-	-	-	349
	-	-	-	(298)
Director's Sitting Fees	-	-	-	7
	-	-	-	(4)
Professional Fees and Expenses	7	-	2	-
	(4)	-	(13)	-
Support service charges	-	-	682	-
	-	-	(418)	-
Telephone, communication and postage	-	-	5	-
	-	-	(26)	-
Rent	-	-	377	-
	-	-	(387)	-
Repairs and maintenance - Computers	22	-	184	-
	(21)	-	(370)	-
Bank and Guarantee charges	-	-	1	-
	-	-	(1)	-
Training	-	-	0	-
	-	-	-	-
Brokerage and incentives	-	-	99	-
	-	-	-	-

Amounts in brackets represents amount relating to previous year
@ The remuneration to the key managerial personnel does not include the provisions made for gratuity, leave encashment and incentives which are provided for group of employees on an overall basis. The Deferred Cash and SARs are considered on payment basis.

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

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

Particulars		**with Holding Companies**	**with Ultimate Holding Company**	**with fellow Subsidiaries**
Assets				
Advisory fees receivable				
	31-Mar-22	-	-	1,415
	31-Mar-21	-	-	2,138
Deposit for premises		-	-	-
	31-Mar-22	-	-	74
	31-Mar-21	-	-	74
Balances with banks		-	-	-
	31-Mar-22	-	-	59
	31-Mar-21	-	-	32
Liabilities		-	-	-
Trade Payables		-	-	-
	31-Mar-22	8	-	389
	31-Mar-21	8	-	360
		-	-	-
Rent & Utilities		-	-	-
	31-Mar-22	-	-	73
	31-Mar-21	-	-	1

37 Segment information

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

a) Segment revenue

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

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Segment revenue		
- India	11,268	9,135
- Outside India	-	-
Total	**11,268**	**9,135**

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

b) Segment assets and segment liabilities

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Segment assets - India	23,461	19,865
Segment liabilities - India	3,162	2,341

38 Note of Merger with L&T Investment Management Limited

The Company (i.e. the asset management company of the HSBC Mutual Fund), HSBC Securities and Capital Markets (India) Private Limited ("HSCI"), i.e. the sponsor of the HSBC Mutual Fund, and the Board of Trustees of the HSBC Mutual Fund (the "HSBC Trustees") have entered into a transfer agreement dated 23 December 2021 with L&T Investment Management Limited (the "L&T AMC"), L&T Mutual Fund Trustee Limited (the "L&T Trustee"), that are the existing asset management company and trustee company of L&T Mutual Fund, respectively and L&T Finance Holdings Limited (the "Seller"), the existing sponsor of the L&T Mutual Fund, which, inter alia, provides for: (i) a change in the sponsorship, trusteeship, management and administration of the schemes of L&T Mutual Fund ("L&T MF Schemes") whereby HSCI will become the sponsor of the L&T MF Schemes, HSBC Trustees will become the trustee of the L&T MF Schemes and the Company will have the rights to manage, operate and administer the L&T MF Schemes, amongst other changes related to L&T MF Schemes, which will be considered to be an integral part of the HSBC Mutual Fund; (ii) merger / consolidation of identified L&T MF Schemes with identified schemes of HSBC Mutual Fund or vice-versa; and (iii) the acquisition of the entire share capital of L&T AMC by the Company and its nominees from the Seller, for an aggregate purchase consideration of USD 425 million (subject to adjustments as set out in the share purchase agreement) and subject to necessary regulatory approvals.

The acquisition related costs incurred upto 31st March 2022 towards this proposed transaction have been accounted for as an expense in the Company's Profit and loss statement.

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

sd/-

Ketan Asher
Partner
Membership No: 113522

Place : Mumbai
Date: Jun 29, 2022

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

sd/-

Dr. Indu Shahani
Director
DIN No: 00112289

sd/-

Ravi Menon
Director &
Chief Executive Officer
DIN No: 00016302

sd/-

Sneha Shetty
Company Secretary
CS No: A32038

Place : Mumbai
Date: Jun 29, 2022