

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION ANALYSIS

The Members

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

The Board has pleasure in presenting the Twenty Seventh Annual Report and the Audited Financial Statements of HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited) ('Company') for the Financial Year ('FY') ended 31 March 2023.

BACKGROUND

The name of the Company was changed from L&T Investment Management Limited to HSBC Consultancy Services (India) Limited w.e.f. 17 May 2023.

During the financial year under review, your Company, HSBC Securities and Capital Markets (India) Private Limited ('HSCI'), the sponsor of the HSBC Mutual Fund, HSBC Asset Management (India) Private Limited ('AMIN'), the asset management company of HSBC Mutual Fund, the Board of Trustees of the HSBC Mutual Fund ('HSBC Trustees'), L&T Mutual Fund Trustee Limited, the trustee company of L&T Mutual Fund and L&T Finance Holdings Limited ('L&T Sponsor'), the sponsor of the L&T Mutual Fund had entered into a transfer agreement dated 23 December 2021 ('Transfer Agreement') to acquire 100% equity shares of your Company and L&T Mutual Fund subject to approval of The Securities and Exchange Board of India (SEBI). SEBI had vide its communication dated 11 October 2022 and 14 October 2022 conveyed it's no objection to the said acquisition. On 25 November 2022, upon receipt of consideration, L&T Sponsor transferred the shares of your Company to AMIN and L&T Mutual Fund was acquired by HSBC Mutual Fund resulting into following:

- (i) HSCI became the sponsor of the L&T Mutual Fund Schemes, HSBC Trustees became the trustee of the L&T Mutual Fund Schemes and AMIN became asset manager for L&T Mutual Fund Schemes;
- (ii) Your Company sold its business and surrendered the rights to manage, operate and administer the L&T Mutual Fund Schemes;
- (iii) L&T Mutual Fund Schemes were merged/ consolidated with identified Schemes of HSBC Mutual Fund or vice-versa;

In view of the above acquisition, your Company became wholly owned subsidiary of AMIN.

Your Company filed petition along with the scheme of merger with Hon'ble National Company Law Tribunal, Mumbai (NCLT) on 9 December 2022 for merger of the Company with its holding company i.e. AMIN under Section 230-232 of the Companies Act, 2013. The NCLT heard the matter on 24 August 2023 and reserved the matter for Order. The final Order for merger is awaited.

The Members of the Company at its meeting held on 2 January 2023 approved alteration in the main object clause of the Company and name of the Company from L&T Investment Management Limited to HSBC Consultancy Services (India) Limited on 17 May 2023. The revised certificate of incorporation upon change in name was received on 6 June 2023. Your Company has discontinued its business operations as an asset manager post-acquisition by AMIN.

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

PERFORMANCE OF THE BUSINESS

As on 31 March 2023, your Company discontinued its business operations as asset manager post-acquisition by AMIN and also surrendered registration granted to the Company as an Asset Manager under the provisions of the SEBI (Mutual Funds) Regulations, 1996 and license as a Portfolio Manager under the provisions of the SEBI (Portfolio Managers) Regulations, 2020.

FINANCIAL RESULTS

The performance of your Company for the FY 2022-23 is summarized below:

Particulars	For the year ended 31.03.2023 (Rs. in millions)	For the year ended 31.03.2022 (Rs. in millions)
Revenue from operations	2295.5	3906.8
Other Income	57.2	24.2
Total Revenue	2352.7	3931.0
Total Expenses	1330.2	1897.7
Profit before Tax	1022.5	2033.3
Provision for Tax (including current and deferred tax)	295.4	519.5
Profit for the year	727.1	1513.8
Other comprehensive income / (loss) for the year	7.1	(10.0)
Total comprehensive income for the year	734.2	1503.8

DIVIDEND

During the year under review, the Company declared and paid interim dividend of INR 3.50 per equity shares on 25,18,24,329 equity shares & INR 1.54 per equity shares on 22,06,24,329 equity shares of the Company of face value of INR 10 each amounting to total dividend of INR 122,11,46,618 (Rupees One Twenty Two Crore Eleven Lakh Forty-Six Thousand Six Hundred and Eighteen only) to the Members whose names appeared in the Register of Members as on date of declaring the dividend.

No final dividend has been recommended for the FY ended 31 March 2023.

SHARE CAPITAL

During the year under review, your Company did not issue any further capital in the Company.

As on 31 March 2023, the authorized share capital of the Company was INR 14,54,25,79,200 (Rupees One Thousand Four Hundred Fifty-Four Crore Twenty Five Lakh Seventy Nine Thousand and Two Hundred only) divided into 55,12,57,920 equity shares or INR 10 each, 33,00,000 compulsory convertible preference shares of INR 100 each, 2,20,00,000 redeemable non-convertible preference shares of INR 100 each and 65,00,00,000 preferences shares of INR 10 each.

As on 31 March 2023, the paid-up capital of the Company was INR 220,62,43,290 (Rupees Two Hundred Twenty Crore Sixty-Two Lakh Forty-Three Thousand and Two Hundred and Ninety only), divided into 25,18,24,329 equity shares of INR 10 each.

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

The approval of the Hon'ble National Company Law Tribunal, Mumbai was received for reduction of 3,12,00,000 equity shares of INR 10 each fully paid-up, out of the existing paid-up equity share capital of INR 251,82,43,290 divided into 25,18,24,329 equity shares of INR 10 each fully paid up.

TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

OPERATIONS & OUTLOOK

During the FY 2022-23, the revenue from operations has decreased from Rs. 3906.8 million in the FY 2021-22 to Rs. 2295.5 million in the FY 2022-23 due to transfer of business. The other income has increased from Rs. 24.2 million in the FY 2021-22 to Rs. 57.2 million in the FY 2022-23 due to gain on account of Business Transfer agreement.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Below mentioned are changes in the Board of Directors from 1 April 2022 till as on date.

S. No.	Name	Designation	Date of resignation	Date of appointment/ Change in designation ^{\$}
1	Dinanath Mohandas Dubhashi	Director	25 November 2022	N.A
				N.A
				N.A
				N.A
2	Vishwanathan Mavila Nair	Director		N.A
3	Ramamurthi Shankar Raman	Director		N.A
4	Anisha Motwani	Director		N.A
5	Ravindran Menon	Additional Director	30 April 2023	25 November 2022
6	Arun Jain*	Additional Director & Chief Financial Officer	NA	
7	Denny Thomas	Additional Director	NA	
8	Kailash Kulkarni	Additional Director	NA	
9	Payal Advani	Additional Director	NA	7 September 2023

* Arun Jain resigned w.e.f 12 September 2023

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

Below mentioned are changes in the Key Managerial Personnel from 1 April 2022 till as on date.

S. No.	Name	Designation	Date of resignation	Date of appointment/ Change in designation ⁵
1	Kailash Kulkarni	Chief Executive Officer	25 November 2022	N.A
2	Rahul Mehta	Chief Financial Officer	25 November 2022	NA
3	Palak Jain	Company Secretary	25 July 2022	27 April 2022
4	Sneha Shetty	Company Secretary	NA	25 November 2022
5	Arun Jain*	Chief Financial Officer	NA	-

*Arun Jain resigned w.e.f 12 September 2023

The Directors place on record their sincere appreciation for the valuable contribution made by the resigning Directors and the Key Managerial Personnel during their tenure with the Company. The requirements with respect to noting and intimating the Registrar of Companies, Maharashtra with respect to their resignations were duly complied with.

Your Directors recommend appointment of Denny Thomas, Kailash Kulkarni and Payal Advani as Directors of the Company and no directors are liable to retire by rotation at the ensuing Annual General Meeting.

The required resolutions reappointing the aforesaid Directors at the ensuing Annual General Meeting is included in the Notice of the said Annual General Meeting.

During the FY 2022-23 eight meetings of the Board of Directors were held on the following dates:

Date of Board Meetings	Directors present
27 April 2022	M.V. Nair R. Shankar Raman Dinanath Dubhashi Anisha Motwani
13 July 2022	M.V. Nair R. Shankar Raman Dinanath Dubhashi Anisha Motwani
18 October 2022	M.V. Nair R. Shankar Raman Dinanath Dubhashi Anisha Motwani

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,

Nesco Complex, Western Express Highway,

Goregaon (East) Mumbai 400063, India

Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600

Email: investor.line@mutualfunds.hsbc.co.in

CIN – U65991MH1996PLC229572

25 November 2022	M.V. Nair R. Shankar Raman Dinanath Dubhashi Anisha Motwani
25 November 2022	Arun Jain Denny Thomas Ravindran Menon Kailash Kulkarni
25 November 2022	Arun Jain Denny Thomas Ravindran Menon Kailash Kulkarni
25 November 2022	Arun Jain Denny Thomas Ravindran Menon Kailash Kulkarni
17 March 2023	Arun Jain Denny Thomas Ravindran Menon Kailash Kulkarni

AUDIT COMMITTEE

During the FY 2022-23 one meeting of the Audit Committee of your Company was held on the following date.

Date of Audit Committee Meetings	Members present
18 October 2022	M.V. Nair Dinanath Dubhashi Anisha Motwani

The Board of Directors at its meeting held on 17 March 2023 had dissolved the Audit Committee as it was not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR committee was reconstituted during the year and comprised Kailash Kulkarni, Arun Jain and Ravindran Menon as its Members as on 31 March 2023.

During the FY 2022-23, your Company supported following projects:

- 1) Digital Sakhi Program in West Bengal, India - This a financial inclusion initiative for rural women of West Bengal with a focus on digital modes of payments and building financial self-reliance among them was implemented in East Midnapore District of West Bengal

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

- 2) Quality Assurance System (Radiotherapy Department) for cancer patients at Bagchi-Sri Shankara Cancer Centre and Research Institute (BSSCCRI), Bhubaneswar, Odisha by Sri Shankara Cancer Foundation.

The total CSR spent was INR 3,83,42,295 (Rupees Three Crores Eighty-Three lakhs Forty Two Thousand Two Hundred and Ninety Five Only) towards CSR initiatives in order to comply with Section 135 of the Companies Act, 2013. Your Company has framed its CSR Policy the details of which are given in Annexure A.

During the FY 2022-23, two meetings of CSR Committee were held on the following dates:

Date of CSR Meeting	Members present
27 April 2022	M.V. Nair* R. Shankar Raman* Dinanath Dubhashi*
25 November 2022	M.V. Nair* R. Shankar Raman* Dinanath Dubhashi*

**Note: All the members resigned from the Board of Directors and its Committees w.e.f. 25 November 2023. Mr. Ravi Menon resigned w.e.f 30 April 2023.*

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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 2023 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a 'going concern' basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Companies Act, 2013 pertaining to granting of loans to any persons or bodies corporate and giving of guarantees or providing security in connection with loans to any other bodies corporate or persons, if any are complied to the extent applicable and are given in the notes to the financial statements as applicable.

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details are provided in Financial Statements in Notes to Accounts.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, EXPORT & FOREIGN EARNING AND OUTGO

The Company had not incurred any foreign exchange expenditure. Since your Company does not own any manufacturing facility, the statement giving details of conservation of energy and technology absorption in accordance with provisions of section 134(3)(m) of the Companies Act, 2013 is not applicable. However, your Company has been using Information Technology in its operations and promotes conservation of resources.

RISK MANAGEMENT POLICY

The Company has Risk Management Framework which deals with identification of risks in the business of the Company which threatens to existence of the Company. Since, your Company has discontinued its operations as an asset management company, it does not foresee any element of risk which may threaten the existence of the Company.

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

A structured questionnaire was prepared covering various aspects of the Board's functioning such as role of the Board and committees, Board composition, skills and application, Board procedures and practices, Board culture and behavior.

An exercise was carried out to evaluate the performance of the Board, Committees and individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of your Company and other stakeholders. The Directors expressed their satisfaction with the evaluation process.

DEPOSITS

Your Company has not accepted any deposits from the public or employees during the FY 2022-23.

MATERIAL CHANGES AND COMMITMENTS

L&T Finance Holdings Limited and HSBC Asset Management (India) Private Limited ('AMIN') had entered into a transfer agreement dated 23 December 2021 to acquire 100% equity shares of your Company. During the year under review your Company became wholly owned subsidiary of AMIN. The Company sold its asset management rights to HSBC Mutual Fund and surrendered registration granted to the Company as an Asset Manager under the provisions of the SEBI (Mutual Funds) Regulations, 1996 and license as a Portfolio Manager under the provisions of the SEBI (Portfolio Managers) Regulations, 2020.

CHANGE IN THE NATURE OF BUSINESS

During the FY year 2022-23, the nature of business had changed from providing services as an Asset Management Company to business of dealing in third party products and providing with financial advisory, consultancy and wealth management services.

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

INTERNAL COMPLAINTS COMMITTEE

As on 31 March 2023, the Company has discontinued its business operations and there were no employees on the payroll of the Company. Thus, the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company as on 31 March 2023.

SIGNIFICANT AND MATERIAL ORDERS

Your Company filed petition along with the scheme of merger with Hon'ble National Company Law Tribunal, Mumbai (NCLT) on 9 December 2022 for merger of the Company with its holding company i.e. AMIN under Section 230-232 of the Companies Act, 2013. The NCLT heard the matter on 24 August 2023 and reserved the matter for Order. The final Order for merger is awaited.

AUDITORS AND AUDITORS' REPORT

The Auditors, M/s. B.K.Khare & Co. , Chartered Accountants (Firm Registration No. 105102W), Mumbai, had been appointed as Auditors, in the twenty fifth Annual General Meeting held on 30 June 2021, for a period of five years. The Auditors had confirmed that, their appointment was 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. Further, the Auditors' report does not contain any qualification, reservation or adverse remarks.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Board has appointed Krupa Joisar & Associates, Practicing Company Secretary to conduct secretarial audit of your Company. The Secretarial Auditor had conducted the audit and their report thereon was placed before the Board. The report of the Secretarial Audit is attached as **Annexure**. There are no qualifications or observations in the Report.

FRAUDS REPORTED BY AUDITORS

During the FY 2022-23, there were no frauds committed by your Company and no material frauds committed on your Company by its officers or employees. Further, during the FY 2022-23, there were no frauds reported by the Auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013.

COST RECORDS

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

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 your 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.

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

Further, the Statutory Auditors express an opinion on the effectiveness of the company's internal financial controls over financial reporting (IFCFR) and the procedures in respect thereof are carried out along with an audit of the financial statements.

Based on the testing performed by them, they have opined that your Company had in all material aspects, an adequate Internal Financial Controls system over financial reporting and such controls were operating effectively as on 31 March 2023.

During the year under review, when the Company was the subsidiary of L&T Finance Holdings Limited, the internal audit was conducted by L&T Group and post-acquisition, your Company has appointed M.P.Chitale & Co., Chartered Accountants, to conduct internal audit covering all areas of operations and the reports are placed before the Board.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with all the applicable Secretarial Standards.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, your Company was not required to transfer any securities/money to the IEPF.

HUMAN RESOURCES

Your Company had no employees as on 31 March 2023. All the employees were transferred to AMIN on 25 November 2022.

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.

PENALTY

Securities Exchange Board of India (SEBI) had issued a show cause notice dated 14 June 2022 to the Company and certain employees of the Company alleging certain deficiencies and non-compliances with respect to certain provisions of SEBI (Mutual Funds) Regulations, 1996, in relation to the thematic inspection of inter-scheme transfers of the Company for the period 01 April 2017 to 30 June 2018. The Company and the said employees had filed a settlement application dated 29 July 2022 on 02 August 2022 under the SEBI (Settlement Proceedings) Regulations, 2018. SEBI had accepted the settlement terms and issued the settlement order on 17 February 2023 and disposed off the show cause notice, upon payment of a settlement fees of INR 1,15,53,750.

CAUTIONARY STATEMENTS

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

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572



ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

SD/-

Kailash Kulkarni
CEO & Director
DIN: 07242982

SD/-

Arun Jain
CFO & Director
DIN: 09790672

Place: Mumbai
Date: 07.09.2023

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

PUBLIC

**Format for the Annual Report on CSR Activities to be Included in the Board's Report
For the Financial Year 2022-23**

1. Brief outline on CSR Policy of the Company.
CSR Vision

We aspire for an inclusive social transformation of the rural communities we serve by nurturing and creating opportunities for sustainable livelihoods for them.

CSR Mission

Our mission is to reach marginalized farmers and women micro entrepreneurs in the rural communities that we serve and work towards rejuvenating their eco-systems thereby creating sustainable livelihoods and enabling financial inclusion.

Commitment

Our focus is on creating value for indigent communities which desire a secure future. We align our social responsibility theme and commitment with the United Nation's global development agenda of Sustainable Development Goals (SDG) particularly 'No Poverty' (SDG -1), 'Gender equality' (SDG 5), 'Sustainable Cities and Communities' (SDG 11) 'Climate Action' (SDG 13) and 'Partnership for the goals' (SDG 17) and the mandate laid down under Section 135 of the Companies Act, 2013 ("Act") and the rules thereof.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	M.V.Nair*	Non Executive Director and Chairperson	2	2
2	R.Shankar Raman*	Non – Executive Director	2	2
3	Dinanath Dubhashi*	Non – Executive Director	2	2
4	Ravindran Menon^\$	Additional Director	2	-
5	Kailash Kulkarni^	Additional Director	2	-
6	Arun Jain^	Additional Director	2	-

* Resigned from the Board of Directors and its Committees w.e.f. 25 November 2022.

^ Appointed w.e.f. 25 November 2022.

\$ Resigned w.e.f 30 April 2023.

1. Provide the web-link where Composition of CSR committee, CSR Policy and CSR
- Not Applicable

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

projects approved by the board are disclosed on the website of the company.

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). NA

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

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	2022-23	Nil	Nil

6. Average net profit of the company as per section 135(5) Rs. 191,70,66,667
7. (a) Two percent of average net profit of the company as per section 135(5) (a) Rs. 3,83,41,333
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. (b) NIL
 (c) Amount required to be set off for the financial year, if any (c) NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c). (d) Rs. 3,83,41,333

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,83,42,295	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year 2022-23:
 NIL

(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 to the	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registr

HSBC Consultancy Services (India) Limited [formerly known as L&T Investment Management Limited]
 Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
 Nesco Complex, Western Express Highway,
 Goregaon (East) Mumbai 400063, India
 Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
 Email: investor.line@mutualfunds.hsbc.co.in
 CIN – U65991MH1996PLC229572

		Act.				ject (in Rs.)	(in Rs.)	project as per Section 135(6) (in Rs.)			ation number
NIL											

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes / No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Digital Sakhi Program in West Bengal, India -	Promoting education, empowering women; reducing inequalities faced by socially and economically backward groups; Rural development projects	No	West Bengal	East Midnapore	2,51,05,695	No	Sabuj Sangha	CSR0000 0299
2	Quality Assurance System (Radiotherapy Department) for cancer patients at Bagchi-Sri Shankara Cancer Centre	Promoting healthcare	No	Bangalore	-	1,32,36,600	No	Sri Shankara Cancer Foundation	CSR0000 4616

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,
Nesco Complex, Western Express Highway,
Goregaon (East) Mumbai 400063, India
Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600
Email: investor.line@mutualfunds.hsbc.co.in
CIN – U65991MH1996PLC229572

and Research Institute (BSSCC RI), Bhubane swar, Odisha								
--	--	--	--	--	--	--	--	--

(d) Amount spent in Administrative Overheads – Rs. 11,21,022

(e) Amount spent on Impact Assessment, if applicable - NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 3,83,42,295

(g) Excess amount for set off, if any – NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3,83,41,333
(ii)	Total amount spent for the Financial Year	3,83,42,295
(iii)	Excess amount spent for the financial year [(ii)-(i)]	962
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	962

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.	
NIL							

(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)	(9)
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	Cumulative amount spent at the end of reporting Financial Year. (in	Status of the project - Completed /Ongoing.

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

Regd. Office: 9-11th Floors, NESCO IT Park Building No. 3,

Nesco Complex, Western Express Highway,

Goregaon (East) Mumbai 400063, India

Telephone: +91 22 6614 5000 Fax: +91 22 4002 9600

Email: investor.line@mutualfunds.hsbc.co.in

CIN – U65991MH1996PLC229572

						Rs).	Rs.)	

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- **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).

**For HSBC Consultancy Services (India) Limited
(Formerly known as L&T Investment Management (India) Limited)**

**SD/-
Kailash Kulkarni
CEO & Chairman of CSR Committee
DIN: 07242982**

**SD/-
Arun Jain
CFO & Director
DIN: 09790672**

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. CSR Vision

We aspire for an inclusive social transformation of the rural communities we serve by nurturing and creating opportunities for sustainable livelihoods for them.

2. CSR Mission

Our mission is to reach marginalized farmers and women micro entrepreneurs in the rural communities that we serve and work towards rejuvenating their eco-systems thereby creating sustainable livelihoods and enabling financial inclusion.

3. LTFS Commitment

Our focus is on creating value for indigent communities which desire a secure future. We align our social responsibility theme and commitment with the United Nation's global development agenda of Sustainable Development Goals (SDG) particularly 'No Poverty' (SDG -1), 'Gender equality' (SDG 5), 'Sustainable Cities and Communities' (SDG 11) 'Climate Action' (SDG 13) and 'Partnership for the goals' (SDG 17) and the mandate laid down under Section 135 of the Companies Act, 2013 ("Act") and the rules thereof.

Our key initiatives are woven around sustainable livelihoods of rural communities facilitated by focused areas of intervention – Digital Financial Inclusion, Disaster Management and other initiatives/activities ('Other Initiatives').

4. CSR Thrust Areas

a) Digital Financial Inclusion –

The activities are aligned to Schedule VII of the Act, under the following heads:

(ii) Promoting education, including employment enhancing vocation skills among women and livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, and measures for reducing inequalities faced by socially and economically backward groups;

(x) Rural development projects.

Our efforts are to create livelihood opportunities for rural women entrepreneurs, educate them and the community to imbibe nuances of financial literacy leading to enhanced adoption of facilities and schemes granted by the Government and other financial institutions. This also helps to percolate the national agenda of creating a cashless economy by bringing in digital modes of payment into their daily lives.

b) Disaster Management –

The activities are aligned to Schedule VII of the Act, under the following heads:

(xii) Disaster management, including relief, rehabilitation and reconstruction activities;

(viii) Contribution to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).

Climate Change is leading to increasing incidents of natural disasters in India. We support the efforts towards disaster management through a number of practical methods. These include prompt area assessments, provision for immediate relief, donation to eligible funds mentioned in the Act and rules thereof, and undertaking projects/activities to create long term impact and build resilient communities.

c) Other Initiatives –

The Company may take up all or any projects/activities, which may include, but not limited to the following fields, as approved by the Board on the recommendation of the CSR & ESG Committee:

- i. Environmental Sustainability – We aim to undertake initiatives in the realm of promoting environmental sustainability and maintaining ecological balance.
- ii. Road Safety - We have partnered with Mumbai Traffic Police to support and strengthen the existing road traffic management and facilitate seamless traffic in Mumbai. Besides spreading awareness on road safety, we provided various equipment and supported traffic wardens. Furthermore, in order to reach out to the larger community, we create awareness on road safety amongst school going children.
- iii. Healthcare – We have partnered with a local organization to provide basic healthcare services to needy and under-privileged community.

5. Sustainability

We conceptualize CSR projects/activities keeping in mind the core needs of communities that we seek to serve. We believe in partnering and collaborating with local government - the panchayat, public and private organizations, not for profits, social enterprises and communities.

Sustainability is inherent in all our projects/activities, where we follow a participatory approach, involving communities from the conceptual stage, so as to create a sense of ownership. Inputs are taken from each stakeholder at the project/activity designing phase and a regular feedback mechanism is instilled to monitor the progress. Our projects/activities are tracked through business like metrics to measure progress, so as to maximize positive impact and ensure a sustained change.

6. Definitions

6.1 “Administrative Overheads” means the expenses incurred by the Company for ‘general management and administration’ of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular project/activity.

6.2 “Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation, having timelines not exceeding 3 years excluding the financial year in which it was commenced, and includes such projects/activities that was initially not approved as a multi-year project but whose duration has been extended beyond 1 year by the Board based on reasonable justification.

6.3 “Project/Activity Direct Expenses” means the expenses that are attributable to a specific

project/activity and shows visible impact on project's/activity's beneficiaries.

6.4 "Project/Activity Overheads" means the expenses that are attributable to a specific project/activity and are incurred to improve implementation of the given project/activity.

7. Governance & Administration

The Board of the Company has constituted the CSR & ESG Committee in accordance with the provisions of the Act. The gaps in implementation of the planned CSR projects/activities will be reported with necessary corrective actions. The CSR & ESG Committee is authorised to take professional support from individuals or organisations having expertise in related fields.

The schedule of post approval delegation will govern the administration of CSR projects/activities.

Roles and Responsibilities:

7.1 Board of Directors

- Approve the CSR Policy, which includes guiding principles for selection, implementation and monitoring of CSR projects/activities, taking into account the recommendations of the CSR & ESG Committee.
- Ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years.
- Approve the excess amount spent in any financial year which is required to be set off.
- Ensure that the administrative overheads do not exceed 5% of total CSR expenditure of the Company for the financial year.
- Satisfy itself that the funds disbursed have been utilised for the purposes and in the manner as approved by it.
- In case the Company fails to spend at least 2% of the average net profits of the Company, then specify the reasons for not spending.
- Ensure that the implementation of CSR projects/activities are undertaken by the Company itself or through entities as per Companies (Corporate Social Responsibility Policy) Rules, 2021.
- Monitor the implementation of the CSR projects/activities with reference to the approved timelines and year-wise allocation and make modifications, if any, for smooth implementation of the project/activity within the overall permissible time period.
- Approve and extend the duration of any project/activity that was not initially approved as an ongoing project, beyond 1 year based on reasonable justification.
- Approve an annual action plan in pursuance of the CSR Policy and alter such plan at any time during the financial year, as per the recommendation of the CSR & ESG Committee.
- Approve the impact assessment reports (if applicable) and an annual report on CSR.
- Disclose the composition of the CSR & ESG Committee, CSR Policy, and approved projects/activities on the Company website, for public access.

7.2 CSR & ESG Committee of the Board

- Formulate the CSR Policy indicating the projects/activities to be undertaken by the Company as per regulatory requirements and recommend the same to the Board.
- Monitor the implementation of the CSR Policy from time to time.
- Formulate and recommend to the Board, an annual action plan (including any changes thereto during the financial year) in pursuance of the CSR Policy.
- Approve the CSR projects/activities in line with the larger CSR vision of the organization.
- Ensure that the CSR projects/activities included in CSR Policy are related to the activities included in Schedule VII of the Act.
- Ensure that in each financial year, the Company spends the approved budget in compliance with the Act.
- Ensure that, in every financial year, funds committed by the Company for CSR projects/activities are utilized effectively and monitored as per the structured process.
- Institute a transparent monitoring mechanism for implementation of the CSR projects/activities undertaken by the Company.

7.3 CSR Team/Function

- Understand the key stakeholders to design effective and efficient CSR projects/activities.
- Conceptualise projects/activities ensuring legal and compliance adherence.
- Engage and build capacities of partner organisations.
- Ensure structured planning and effective delivery of CSR interventions.
- Ensure meaningful engagement with all stakeholders especially communities.
- Ascertain financial management and transparency in project/activity funds.
- Set up effective and structured evaluation and monitoring mechanism for CSR projects/activities.
- Document & periodically report to the CSR & ESG Committee and other internal and external stakeholders.

8. Resources

- For achieving its CSR objectives, the Company will allocate CSR funds, with the approval of the Board.
- The Board will ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, made during the 3 immediately preceding financial years.
- The surplus arising out of the CSR projects/activities will not form part of the business profit of the Company.
- If, in any financial year, the Company spends in excess of the mandatory spend, on CSR projects/activities, the Board may decide to set-off the same in the immediately succeeding 3 financial years.
- The treatment of surplus, set-off of excess spend and unspent CSR amount (if any), will be governed by the provisions of the Act and rules thereof.
- The Company would engage with the employees as a key resource to drive social

change within the organization.

9. **Planning**

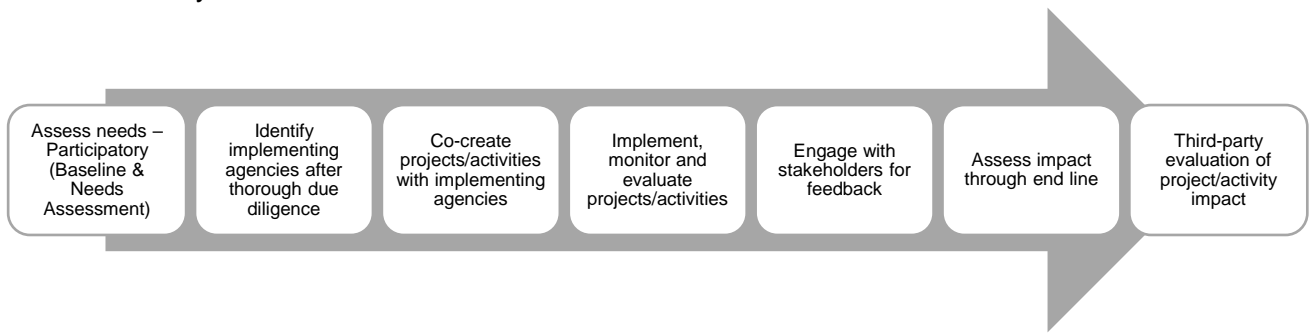
The CSR projects/activities will be identified and implemented according to the Board approved CSR Policy. The Company will establish a robust project/activity monitoring and evaluation mechanism so as to ensure that every project/activity is in accordance with the requirements under the Act. By and large, every project/activity undertaken by the Company will be based on the following premises:

a. **Project based approach**

The Company will follow a project-based accountability approach to emphasize on the long-term sustainability of CSR projects/activities.

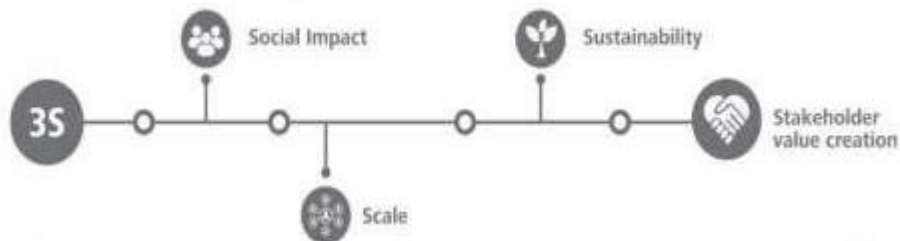
b. **CSR Processes**

For each project/activity, the Company will conduct baseline, midline and end line surveys with clearly defined measurable outcomes.



c. **CSR Approach – 3S**

A framework of 3S, i.e., Social Impact, Scale and Sustainability are the key elements to implement the CSR projects/activities.



d. **Annual Action Plan**

The Company will prepare an annual action plan, which will include:

- List of CSR projects/activities that are approved to be undertaken in areas specified in Schedule VII of the Act.
- Manner of execution of projects/activities.
- Modalities of utilization of funds and implementation schedules for the projects/activities.
- Monitoring and reporting mechanism for the projects/activities.
- Details of need and impact assessment, if any, for the projects/activities undertaken by

the Company.

10. Implementation

a. Process of Implementation

The Company will implement the CSR projects/activities as a collaborative effort between Companies within L&T Financial Services, in such a manner that the CSR & ESG Committees of the respective Companies will be in a position to report separately on such projects/activities in accordance with the Act and applicable rules.

b. CSR delivery channels

The Company will seek to identify suitable projects/activities for implementation in line with the CSR vision and thrust areas of the Company. The approved projects/activities will be implemented either directly as a collaborative effort between Companies within L&T Financial Services or through partnerships with either:

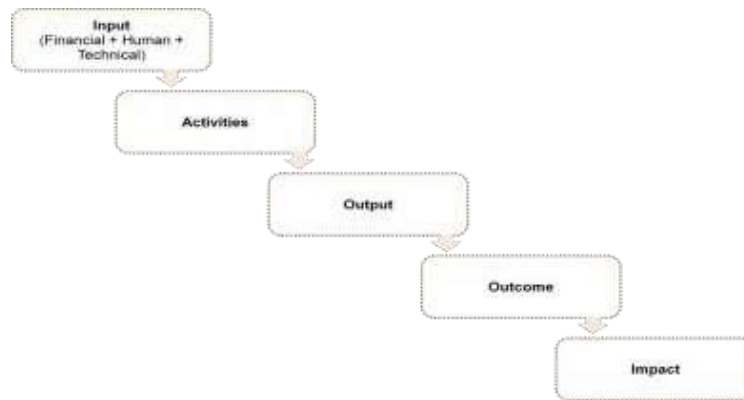
- A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or
- A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- Any entity established under an Act of Parliament or a State legislature; or
- A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least 3 years in undertaking similar activities.

c. Criterion for identifying Implementing agencies

In case of project/activity execution through partnership with other entities, the following minimum criterion will be considered:

- Organization details
- Vision, Mission & Objectives of the organization
- Background of the organization
- Track record of last 3 years
- Governance model adopted and practiced
- Best resource mobilization & utilization practices followed
- Internal & external audit / assessment practices followed
- Alignment to the Company's CSR thrust areas

d. **Social Impact Framework:**



e. **Agreement with the Implementing agencies**

The approved CSR projects/activities will require entering into a legal contract / document with each of the implementing agencies.

11. Monitoring & Reporting

a. **Periodic Monitoring & Reporting**

Parameters of progress reporting will be agreed upon with the respective implementation agencies. The agencies will be advised to submit reports at regular intervals, which will also be made available to authorized representatives of the Company. The purpose of these being to record and report the short and medium-term results of CSR projects/activities. The implementation agencies will also facilitate field visits of such individuals as mutually agreed upon. The CSR & ESG Committee shall oversee the implementation of the CSR Policy through periodic reviews of the CSR projects/activities.

Appropriate documentation of the CSR Policy, annual action plan, implementing agencies, and expenditure entailed will be undertaken on a regular basis and the same will also be reported in the Annual Report (as deemed necessary and required under the law).

b. **Annual Review of the projects/activities**

The CSR Team will prepare reports on all CSR projects/activities, with or without external support. Such reports will be presented to the CSR & ESG Committee, if required.

c. **Impact Assessment**

Impact assessment of CSR projects/activities are conducted to comprehend tangible and intangible changes in the lives of the communities where the projects/activities were implemented. This helps to understand the overall outcome and impact of the project/activity from the eyes of the beneficiaries.

- i. Impact assessment will be carried out for CSR projects/activities having outlay of Rs. 1 crore or more through an independent agency, and which have been completed not less than 1 year before undertaking the impact study if average CSR obligation of the Company is Rs. 10 crore or more in the 3 immediately preceding financial years or any other threshold as may be defined under the Act.

- ii. A voluntary impact assessment may be carried out, if deemed necessary.
- iii. In the case of projects/activities undertaken as a collaborative effort between the companies within L&T Financial Services, the impact assessment would be conducted subject to conditions mentioned above, and the impact assessment carried out by a Company for the common project/activities will be shared with other companies for the purpose of disclosure to the Board and in the annual report on CSR.

12. Grievance Redressal

- i. In order to ensure quick and effective handling of queries/grievances/complaints from the community members and other stakeholders with respect to the CSR projects/activities undertaken by the Company, the person concerned can approach the respective implementing agency, which will deal with the queries/grievances/complaints as per the grievance redressal mechanism adopted by implementing agency.
- ii. Additionally, any aggrieved party can write to csr@lts.com

13. General

- i. If at any point a conflict of interpretation/information between the CSR Policy and regulations, rules, guidelines, notification, clarifications, circulars, master circulars/directions issued by relevant authorities (“Regulatory Provisions”), applicable if any, arises, then interpretation of the Regulatory Provisions shall prevail.
- ii. In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, if applicable, the CSR Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provision.

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HSBC CONSULTANCY SERVICES (INDIA) LIMITED
(formerly known as L&T Investment Management Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HSBC CONSULTANCY SERVICES (INDIA) LIMITED *(formerly known as L&T Investment Management Limited)* (CIN: U65991MH1996PLC229572) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2023 according to the provisions of, as applicable:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- Not Applicable

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - Not Applicable
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; - Not Applicable
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not Applicable
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not Applicable
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and - Not Applicable
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable
- (vi) Other specific business/industry related laws that are applicable to the company, viz*
- The SEBI (Mutual Funds) Regulations, 1996;
 - The SEBI (Portfolio Managers) Regulations, 2020;
 - The SEBI (Depositories and Participants) Regulations, 2018.

We have also examined compliance with the applicable clauses of the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except as mentioned below:

- a) Securities Exchange Board of India (SEBI) had issued a show cause notice dated 14 June 2022 to the Company and certain employees of the Company alleging certain deficiencies and non-compliances with respect to certain provisions of SEBI (Mutual Funds) Regulations, 1996, in relation to the thematic inspection of inter-scheme transfers of the Company for the period 01 April 2017 to 30 June 2018. The Company

and the said employees had filed a settlement application dated 29 July 2022 on 02 August 2022 under the SEBI (Settlement Proceedings) Regulations, 2018. SEBI had accepted the settlement terms and issued the settlement order on 17 February 2023 and disposed off the show cause notice, upon payment of a settlement fees of INR 1,15,53,750.

- b) Securities Exchange Board of India (SEBI) issued a show cause notice dated 20 March 2023 and a supplementary show cause notice dated 16 June 2023 to the Company alleging certain deficiencies and non-compliances with respect to certain findings from the regulatory audit carried out for the period 1 April 2019 to 31 March 2021. The allegations are that the recording of portfolio investment decisions for the funds may not be done in a compliant manner, and Company did not establish a mechanism to verify that due diligence is being exercised while making portfolio investment decisions as per the earlier Investment Policy of Company. HSBC Asset Management (India) Private Limited which is now managing the erstwhile L&T Mutual Fund (now merged with HSBC Mutual Fund) has taken necessary steps to defend the allegations raised by SEBI in the notices. The adjudicating officer of SEBI has issued the order which concludes that considering the submissions, the adjudication proceedings initiated by SEBI against the Company stand disposed of without any penalty.

We further report that as on 31 March 2023, the Board of Directors of the Company is duly constituted with the proper balance of Non-Executive Directors. The Company on 25 November 2022 became wholly owned subsidiary of HSBC Asset Management (India) Private Limited (AMIN) which is a Private Company and hence the Company is exempted from appointing Independent Directors. The Independent Directors resigned on 25 November 2022. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI (Mutual Funds) Regulations, 1996.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the meetings of the Board and the Committees have not identified any dissent by members of the Board /Committee of the Board, respectively, hence we have no reason to believe that the decisions by the Board were not approved by all the directors/members present. Further, pursuant to the Ministry of Corporate Affairs notification dated 13 July 2017, the Company is exempted from formation of the Audit Committee, as the Company is a wholly owned subsidiary of AMIN and hence the Company dissolved its Audit Committee on 17 March 2023.

We further report that, based on review of the compliance mechanism established by the Company, there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Note – As the Company has surrendered relevant licenses, no other Specific Laws were applicable to Company as on 31 March 2023*

We further report that during the audit period the following events / actions have taken place which having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. – Not applicable
- (ii) Redemption/buy-back of securities– Not applicable
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013-

Pursuant to the provisions of the Section 180(1)(a), the members of the Company in its general meeting held on 25 November 2022 approved the transfer of the entire asset management business to HSBC Asset Management (India) Private Limited.

- (iv) Merger / amalgamation / reconstruction, etc.

The approval of the Board of Directors of the Company was received at its meeting held on 25 November 2022 for merger of the Company with its holding company i.e. HSBC Asset Management (India) Private Limited and a Petition along with the Scheme was filed with Hon'ble National Company Law Tribunal, Mumbai (NCLT) on 9 December 2022 as required under Section 230-232 of the Companies Act, 2013. The NCLT heard the matter on 24 August 2023 and reserved for the matter for orders. The final order of merger is awaited.

- (v) Foreign technical collaborations – NIL

- (vi) Any other Events –

- (a) HSBC Securities and Capital Markets (India) Private Limited (the 'HSCI'), the sponsor of the HSBC Mutual Fund and HSBC Asset Management (India) Private limited ('AMNI'), the asset management company of the HSBC Mutual Fund and the Board of Trustees of the HSBC Mutual Fund (the 'HSBC Trustees') the Company, the asset management company of L&T Mutual Fund, L&T Mutual Fund Trustee Limited, the trustee company of L&T Mutual Fund and L&T Finance Holdings Limited (the 'L&T Sponsor'), the sponsor of the L&T Mutual Fund had entered into a transfer agreement dated 23 December 2021 ('Transfer Agreement') to acquire 100% equity shares of the Company subject to approval of The Securities and Exchange Board

of India (SEBI). SEBI vide its communication dated 11 October 2022 and 14 October 2022 conveyed their no objection to the said transaction. The Board of Directors at its meeting held on 25 November 2022 approved transfer of entire Equity Shares of the Company from its erstwhile holding company i.e. L&T Finance Holdings Limited to its current holding company i.e. HSBC Asset Management (India) Private Limited

- (b) The Board of Directors of the Company at its meeting held on 27 April 2022 approved changes in the fundamental attributes of identified Schemes of L&T Mutual Fund with the relevant schemes of HSBC Mutual Fund and proposed amendments to the Trust Deed of L&T Mutual Fund.
- (c) The approval of the Hon'ble National Company Law Tribunal, Mumbai was received for reduction of 3,12,00,000 equity shares of INR 10 each fully paid-up, out of the existing paid-up equity share capital of INR 251,82,43,290 divided into 25,18,24,329 equity shares of INR 10 each fully paid up.
- (d) The Board of Directors of the Company at its meeting held on 13 July 2022 approved the surrender of registration granted to the Company as a Portfolio Manager under the provisions of the SEBI (Portfolio Managers) Regulations, 2020.
- (e) The Board of Directors at its meeting held on 25 November 2022 approved declaration and payment of interim dividend amounting to INR 33,97,61,467 (Rupees Thirty-Three Crore Ninety-Seven Lakh Sixty-One Thousand Four Hundred and Sixty-Seven) only.
- (f) The Board of Directors at its meeting held on 25 November 2022 approved the surrender of registration granted to the Company as an Asset Manager under the provisions of the SEBI (Mutual Funds) Regulations, 1996.
- (g) The Members of the Company at its meeting held on 2 January 2023 approved alteration in the main object clause of the Company and name of the Company from L&T Investment Management Limited to HSBC Consultancy Services (India) Limited. The revised certificate of incorporation upon change in name was received on 6 June 2023.

Place: Mumbai
Date: 7 September, 2023

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117E000967151

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

The Members

HSBC CONSULTANCY SERVICES (INDIA) LIMITED

(formerly known as L&T Investment Management Limited)

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 7 September, 2023

Krupa Joisar
Krupa Joisar & Associates
Practising Company Secretary
Membership No. F11117
Certificate of Practice No. 15263
Peer Review Certificate No.1251/2021
UDIN: F011117E000967151

B. K. Khare & Co.
Chartered Accountants

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

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of HSBC Consultancy Services (India) Limited (earlier known as L&T Investment Management Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report thereon

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

B. K. Khare & Co.

Chartered Accountants

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

B. K. Khare & Co.

Chartered Accountants

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

B. K. Khare & Co.

Chartered Accountants

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 33 to the Financial Statements;

B. K. Khare & Co.
Chartered Accountants

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv)
 - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

B. K. Khare & Co.
Chartered Accountants

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

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

Sd/-

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

Annexure A to the Independent Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

B. K. Khare & Co.

Chartered Accountants

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

B. K. Khare & Co.

Chartered Accountants

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

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

ANEXURE B TO THE AUDITOR'S REPORT

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

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

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

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

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

B. K. Khare & Co. Chartered Accountants

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

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

B. K. Khare & Co. Chartered Accountants

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

B. K. Khare & Co. Chartered Accountants

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

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

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

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

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

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

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

B. K. Khare & Co.
Chartered Accountants

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

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

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

Sd/-

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

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

Balance Sheet as at Mar 31, 2023

All amounts in crores unless otherwise stated

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

The accompanying notes form an integral part of the financial statements

As per our report attached

For B. K. Khare & Co.

Chartered Accountants

Firm's registration no. 105102W

by the hand of

For and on behalf of

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

Sd/-

Aniruddha Joshi

Partner

Membership no. 040852

Sd/-

Kailash Kulkarni

CEO & Director

DIN 07242982

Sd/-

Arun Jain

CFO & Director

DIN 09790672

Sd/-

Sneha Shetty

Company Secretary

ACS 32038

Place : Mumbai

Date : Sept 07, 2023

Place : Mumbai

Date : Sept 07, 2023

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

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

All amounts in crores unless otherwise stated

Particulars		Notes	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
	Revenue from operations			
	(i) Interest income	19	0.06	12.64
	(ii) Fees and commission Income	20	217.44	359.04
	(iii) Net gain on fair value changes	21	12.05	19.00
I	Total revenue from operations		229.55	390.68
II	Other income	22	5.72	2.42
III	Total income (I + II)		235.27	393.10
	Expenses			
	(i) Net loss on fair value changes	21	-	-
	(ii) Finance costs	23	0.17	0.38
	(iii) Fees and commission expense	24	(0.02)	(0.59)
	(iv) Employee benefits expenses	25	39.02	83.23
	(v) Depreciation, amortization and impairment	26	32.37	50.18
	(vi) Other expenses	27	61.48	56.57
IV	Total expenses		133.02	189.77
V	Profit before tax (III-IV)		102.25	203.33
VI	Tax expenses	28		
	Current tax		33.79	57.03
	Deferred tax		(4.25)	(5.08)
	Total tax expense (VI)		29.54	51.95
VII	Profit after tax (V-VI)		72.71	151.38
VIII	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined benefit plans (net)		0.71	(1.00)
	(ii) Income tax relating to Items that will not be reclassified to profit or loss			
	(a) Tax on Remeasurement of defined benefit plans		-	-
	Total other comprehensive income (VIII)		0.71	(1.00)
IX	Total comprehensive income for the period / year (VII+VIII)		73.42	150.38
X	Earnings per equity share : (* not annualised)			
	Basic and Diluted (Rs.) (Face value of Rs. 10 per share)	35	3.13	6.01
	Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements

As per our report attached

For B. K. Khare & Co.

Chartered Accountants

Firm's registration no. 105102W

by the hand of

Sd/-

Aniruddha Joshi

Partner

Membership no. 040852

For and on behalf of

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

Sd/-

Kailash Kulkarni

CEO & Director

DIN 07242982

Sd/-

Arun Jain

CFO & Director

DIN 09790672

Sd/-

Sneha Shetty

Company Secretary

ACS 32038

Place : Mumbai

Date : Sept 07, 2023

Place : Mumbai

Date : Sept 07, 2023

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

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

All amounts in crores unless otherwise stated

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
A. Cash flow from operating activities		
Profit before tax	102.25	203.33
Adjustments for:		
Interest received on income tax	(1.69)	(2.42)
Depreciation, amortization and impairment	32.37	50.18
Net gain on fair value changes	(12.05)	(19.00)
Interest expense on leases	0.07	0.15
Fixed assets written off	0.99	-
Profit on derecognised lease assets	(0.24)	-
Interest income on loan	-	(12.64)
Provision for compensated absences and gratuity	-	1.57
Operating profit before working capital changes	121.70	221.17
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets-		
Financial assets	(63.19)	3.83
Non financial assets	2.15	(0.65)
Adjustments for increase / (decrease) in operating liabilities-		
Financial liabilities	(44.17)	5.18
Non financial liabilities	(34.45)	14.61
Cash generated from operations	(17.96)	244.14
Net income tax	(26.39)	(27.74)
Net cash generated from operating activities (A)	(44.35)	216.40
B. Cash flow from investing activities		
Purchases of fixed assets	(0.39)	(1.05)
Sale of investment (net)	559.90	29.92
Proceeds from sale of property, plant and equipment (net)	1.51	-
Purchase of non-current investments in shares	-	(3.38)
Interest received	-	12.64
Net cash generated in investing activities (B)	561.02	38.13
C. Cash flow from financing activities		
Principal portion of lease liability	(0.27)	(0.57)
Dividend paid	(122.12)	(251.82)
Interest portion of lease liability	(0.07)	(0.15)
Capital reduction of equity share capital	(390.00)	-
Net cash used in financing activities (C)	(512.46)	(252.54)
Net increase in cash and cash equivalents (A + B + C)	4.21	1.99
Opening cash and cash equivalent for the year	3.32	1.33
Closing cash and cash equivalent for the year	7.54	3.32
Notes:		
1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.		
2. Cash and cash equivalents represent cash and bank balances.		
3. Previous year have been regrouped/reclassified wherever necessary to make them comparable with those of current period.		

As per our report attached

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

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

Sd/-
Aniruddha Joshi
Partner
Membership no. 040852

Sd/-
Kailash Kulkarni
CEO & Director
DIN 07242982

Sd/-
Arun Jain
CFO & Director
DIN 09790672

Sd/-
Sneha Shetty
Company Secretary
ACS 32038

Place : Mumbai
Date : Sept 07, 2023

Place : Mumbai
Date : Sept 07, 2023

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

a. Equity share capital

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

b. Other equity

All amounts in crores unless otherwise stated

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

Sd/-

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

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

Sd/-
Aniruddha Joshi
Partner
Membership no. 040852

Sd/-
Kailash Kulkarni
CEO & Director
DIN 07242982

Sd/-
Arun Jain
CFO & Director
DIN 09790672

Sd/-
Sneha Shetty
Company Secretary
ACS 32038

Place : Mumbai
Date : Sept 07, 2023

Place : Mumbai
Date : Sept 07, 2023

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

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

Background:

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

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

Note 1 : Summary of Significant Accounting Policies :

(a) Statement of compliance:

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Also refer note 2(c) below.

(b) Basis of preparation and presentation:

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

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

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

(c) Presentation of financial statements:

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

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

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

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

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

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

(e) Revenue recognition:

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

(i) Investment management fees

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

(ii) Portfolio management fees

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

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

(iii) Dividend income

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

(iv) Interest income

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

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

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

(f) Share capital

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

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

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

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

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

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

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

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

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

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

(h) Intangible assets:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) Employee benefits

(i) Short term employee benefits:

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

(ii) Post-employment benefits:

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

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

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

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

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

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

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

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

(iii) Long term employee benefits:

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

(iv) Termination benefits:

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

(v) Share based payment arrangements:

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

(k) Ind AS 116 - Leases :

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

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

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

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

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

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

(l) Financial instruments:

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

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

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

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

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

Financial assets:

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

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

Financial liabilities and equity :

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

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

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

(m) Scheme expenses and commission :

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

Any brokerage or commission paid by the Company in line with the applicable regulations is being amortised over the contractual period.

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

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

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

(n) Taxation :

Current Tax

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

Deferred Tax

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

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

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

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

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

(o) Provisions, contingent liabilities and contingent assets :

Provisions are recognised only when:

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

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

Contingent liability is disclosed in case of:

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

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

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

(p) Earning per shares

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

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

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

(q) Cash and cash equivalents :

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

(r) Statement of cash flow statement :

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

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

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

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

(s) Segment reporting :

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

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

(t) Dividend on equity shares:

The Company recognises a liability to make cash distributions to equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognised directly in other equity.

(u) Foreign currency transactions

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

(v) Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

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

(w) Going Concern

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

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

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

All amounts in crores unless otherwise stated

Note 2 : Cash and cash equivalents

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

Note 3 : Receivables

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

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

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

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

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

All amounts in crores unless otherwise stated

Note 4 : Investments

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

Note 5 : Other financial assets

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

Note 6 : Current tax assets (net)

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

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

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

All amounts in crores unless otherwise stated

Note 7 : Property, plant and equipment

Tangible assets :

Particulars	Gross Block				Depreciation for the year ended				Net Block	
	As at Apr 01, 2022	Additions	Deductions	As at Mar 31, 2023	As at Apr 01, 2022	For the year	Deductions	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Leasehold improvements	0.18	-	0.10	0.08	0.15	0.01	0.08	0.08	-	0.03
Computers	0.71	0.01	0.52	0.20	0.44	0.05	0.29	0.20	-	0.27
Furniture and fittings	0.08	0.01	0.08	0.01	0.06	-	0.05	0.01	-	0.02
Office equipment	0.22	0.07	0.28	0.01	0.11	0.01	0.11	0.01	-	0.11
Total Rs.	1.19	0.09	0.98	0.30	0.76	0.07	0.53	0.30	-	0.43

Intangible assets :

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

Previous year:

Tangible assets :

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

Intangible assets :

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

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

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

All amounts in crores unless otherwise stated

Note 8 : Deferred tax assets (net)

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

Note 9 : Right to use an asset

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

Note 10 : Other non-financial assets

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

Note 11 : Payables

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

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

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

HSBC Consultancy Services (India) Limited (formerly known as L&T Investment Management Limited)
Notes forming part of the condensed financial statements

All amounts in crores unless otherwise stated

Note 12 : Lease liability

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

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

Note 13 : Other financial liabilities

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

Note 14 : Provisions

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

Note 15 : Other non-financial liabilities

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

Note 16 : Deferred tax liabilities (net)

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

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

All amounts in crores unless otherwise stated

Note 18 : Other equity

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

Note 18.1 : Retained earnings

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance at beginning of year	61.84	162.88
Profit for the year	72.71	151.38
Dividend paid during the year	(122.12)	(251.82)
Balance at the end of the year	12.43	61.84

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

Note 18.2 : Securities premium

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

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

Note 18.3 : Capital reserve

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

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

Note 18.4 : Other comprehensive income

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

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

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

All amounts in crores unless otherwise stated

Note 17 : Equity share capital

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

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

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

Note:

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

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

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

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

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

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

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

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

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

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

(e) Shares held by Promoters :

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

(f) Terms / Rights Attached to Equity shares:

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

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

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

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

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

All amounts in crores unless otherwise stated

Note 19 : Interest income

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

Note 20 : Fees and commission income

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

Note 21 : Net gain on fair value changes

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

Note 22 : Other income

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

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

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

Note 22(a) - Business Transfer Agreement

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

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

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

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

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

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

All amounts in crores unless otherwise stated

Note 23 : Finance costs

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

Note 24 : Fees and commission expense

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

Note 25 : Employee benefits expenses

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

Note 26 : Depreciation, amortization and impairment

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

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

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

All amounts in crores unless otherwise stated

Note 27 : Other expenses

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

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

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

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

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

All amounts in crores unless otherwise stated

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

Disclosures in relation to corporate social responsibility expenditure:

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

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

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

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

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

Note 28 : Tax expense

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

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

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

All amounts in crores unless otherwise stated

Note 29 : Deferred tax balances

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

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

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

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

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

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

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

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

All amounts in crores unless otherwise stated

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

(i) Defined Contribution plans :

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

(ii) Defined benefits Gratuity Plan

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

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

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

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

* Amount less than Rs. 1 Lakhs

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

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

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

Notes forming part of the condensed financial statements

All amounts in crores unless otherwise stated

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

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

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

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

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

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

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

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

(B) Salary escalation rate:
The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

- (g) **Attrition Rate:**
The attrition rate varies from 22% to 26% (previous year: 22% to 26%) for various age groups.

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

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

- (j) **Sensitivity Analysis**
One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation:

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

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

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

Note 31 : Related Party Disclosures: Ind AS -24 "Related Party Transaction" (From Apr 01, 2022 to Nov 25, 2022)

(a) List of Related Parties (with whom transactions were carried out during current period / previous year)

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

(b) Disclosure of related party transactions :-

All amounts in crores unless otherwise stated

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

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

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

Note 31 : Related Party Disclosures: Ind AS -24 "Related Party Transaction" (From Apr 01, 2022 to Nov 25, 2022)

12 Compensation paid to Key Management Personnel :

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

(c) Amount due to/from Related Parties:

All amounts in crores unless otherwise stated

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

Note 31(a) : Related Party Disclosures: Ind AS -24 "Related Party Transaction"(From Nov 26,2022 to Mar 31,2023)

(a) List of Related Parties (with whom transactions were carried out during current period / previous year)

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

(b) Disclosure of related party transactions :-

All amounts in crores unless otherwise stated

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

(a) Amount due to/from Related Parties:

All amounts in crores unless otherwise stated

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

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

*** Amount less than Rs. 1 Lakhs

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

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

Note 32 : Fair value measurements

All amounts in crores unless otherwise stated

Financial instruments by category

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

Items of income, expense, gains or losses

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

(i) Fair value hierarchy

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

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

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

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

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

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

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

(ii) Valuation processes:

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

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

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

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

All amounts in crores unless otherwise stated

Note 33 : Additional disclosure:

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

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

Note 34 : Segment reporting:

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

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

Note 35 : Earnings Per Share

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

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

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

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

Note - 37 : Additional Regulatory Information required by Schedule III

(i) Details of benami property held

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

(ii) Borrowing secured against current assets

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

(iii) Wilful Defaulter

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

(iv) Relationship with struck off Companies

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

(v) Compliance with number of layers of companies

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

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

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

(vii) Utilisation of Borrowed funds and Share premium

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

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

(viii) Undisclosed Income

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

(ix) Details of 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) Analytical Ratios

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

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