



**DISCLOSURE DOCUMENT
NON DISCRETIONARY PORTFOLIO ADVISORY SERVICES**

(As required under Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020)

The Disclosure Document (hereinafter referred to as 'the Document') has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format, in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

The purpose of the document is to provide essential information about the Non-Discretionary Portfolio Advisory Services (PAS), in a manner, so as to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.

The Document also gives the necessary information about the Portfolio Manager, required by an investor before investing, and the investor may also be advised to retain the Document for future reference.

Non-discretionary portfolio advisory services is offered to our select Ultra High Net-worth Private Banking customers. These Ultra High Net-worth clients constitute an important customer segment and HSBC India is fully committed to serve financial and wealth management needs of such clients. The Non-discretionary portfolio advisory services will provide a differentiated proposition to the target client segment; and will cover investment recommendation on Direct Schemes of Mutual Funds and offer platform to execute transaction in accordance with the client's instructions.

Details of the Principal Officer:

Ms. Gauri Chugh
The Hongkong and Shanghai Banking Corporation Limited
Nesco IT Park - Bldg. 3, 9th/10th/11th Floor, Nesco Complex, Western Express Highway,
Goregaon (E), Mumbai - 400 063
E-mail ID: gauri.chugh@hsbc.co.in
Tel No.: +91 022 6628 3714

This Disclosure Document is dated 30 June 2023.

Portfolio Manager
The Hongkong and Shanghai Banking Corporation Limited
SEBI Registration No.: INP000000795

1.TABLE OF CONTENTS

Sr. No.	Contents	Page Number
1	Disclaimer	3
2	Definitions	3
3	Corporate Profile and Details of Advisory Offering	5
4	Penalties, pending litigation or proceedings, findings of inspection or investigations	12
5	Description of Customer Risk Tolerance and linkage to Investment objectives	17
6	Risk Factors	19
7	Customer Representation	23
8	The Financial Performance of the Portfolio Manager	24
9	Audit Observation	26
10	Nature of Expenses	26
11	Taxation	27
12	FATCA	30
13	Accounting Policies	31
14	Investor Services	31
15	Details of investments in the securities of related parties of the Portfolio Manager	32
16	Details of the diversification policy of the Portfolio Manager	32
17	Annexure I	33

1. Disclaimer

This Disclosure Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI. This Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2. Definitions

1	Act	The Securities and Exchange Board of India Act, 1992
2	Agreement	Means the Investment Services Agreement between the Customer and the Bank and shall include the Schedules to the Agreement and any supplemental letters or terms and conditions, appendices and accompanying documents, as from time to time amended.
3	Connected Company	Means HSBC Holding Plc and subsidiary thereof.
4	Chartered Accountant	A chartered accountant as defined in The Chartered Accountants Act, 1949 and who has obtained a certificate of practice
5	Customer	Any individual who enters into an Agreement with the Portfolio Manager for provision of non-discretionary portfolio advisory services.
6	Disclosure Document	Shall mean the Disclosure Document issued by the Bank and as specified in Regulation 22 (3) and Schedule V of the SEBI (Portfolio Manager) Regulations and available to the customer in accordance with the same.
7	Portfolio Advisory Services	Means the non-discretionary portfolio advisory services provided by the Bank to the Customer in relation to the Investment Products.
8	Investment Products	Means schemes of various mutual funds under direct plans that are managed by asset management companies registered in India that are selected and considered by the Bank, fit to be offered to the Customer as per the Bank's internal policies and procedures. A list of these products will be available with the Bank and the Customer can check the same on the Bank's website (www.hsbc.co.in) or by visiting the Bank branch
9	Means of Communications	It means and includes various modes of communication to be used between the Customer and the Bank to communicate their instructions including but not limited to letters, telephone, facsimile transmission/e-mail/internet banking, short message service, notification on the Bank's website and/or any kind of digital means of communication.
10	Non-Discretionary Portfolio Advisory Service	Means the service, wherein the Portfolio Manager who, under agreement with the client, offers Non-Discretionary Portfolio advisory service and does not exercise any degree of discretion, as to the investments or management of portfolio of mutual funds of the Client, and who acts solely on instructions given by the Client.

11	Portfolio	It means the Investment Products held by the Customer in line with the Non-Discretionary Portfolio Advisory Services provided by the Bank and subscribed to by the Customer as per the executed Agreement.
12	Profiling	'Profiling' means the profiling process comprising of 'Know Your Customer' information, risk profile of the Customer, knowledge and experience of the Customer regarding investing in Investment Products, investment goals, financial profile as per the information available with the Bank and availability of emergency funds (as applicable) and a risk profiler; as may be amended by the Customer in writing, from time to time, and which is used by the Bank to ascertain suitable Investment Products for the Customer.
13	Risk-Profiler	Means the questionnaire used as part of the Customer profiling process, to assess the Customer's attitude towards risk in respect of the Investment Products and as may be amended by the Customer in writing, from time to time.
14	Portfolio Manager	The Hongkong and Shanghai Banking Corporation Limited, India, which has obtained certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, vide Registration no. INP000000795 and providing non-discretionary Portfolio advisory services.
15	Principal Officer	Means an employee one who is responsible for the activities of Portfolio Manager and has been designated as the Principal Officer by the Portfolio Manager.
16	Regulations	The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and amendments thereto.
17	SEBI	Means the Securities and Exchange Board of India.
18	RBI	Means the Reserve Bank of India established under the Reserve Bank of India Act, 1934.
19	The Hongkong and Shanghai Banking Corporation (or the Bank or HSBC India)	Means a company incorporated under the Companies Ordinance of the Hong Kong Special Administrative Region (HKSAR), having its registered office at 1, Queen's Road Central, Hong Kong and its India corporate office at 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001, acting through its branch/office in India (the 'Bank' or 'HSBC India')

3. Description (Corporate Profile and Details of Advisory Offering)

3.1. History, Present Business and Background of the Portfolio Manager:

The origins of The Hongkong and Shanghai Banking Corporation Limited in India dates back to 1853 when the Mercantile Bank of India was established in Mumbai. The Mercantile Bank was bought in 1959 by The Hongkong and Shanghai Banking Corporation Limited.

The Hongkong and Shanghai Banking Corporation Limited in India, offers a full range of banking and financial services. HSBC is one of India's leading financial services groups, with 26 branches and around 39,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading international bank for individuals and companies with global aspirations, facilitating their needs with presence in 62 countries. With its extensive reach across Asia, the Americas and Europe, HSBC has the capacity to offer complete banking and financial solutions to India's burgeoning economy. It has also formed a joint venture life insurance company with Canara Bank and Punjab National Bank.

The Bank has been granted Certificate of Registration as Portfolio Manager, from SEBI, with Registration No. INP000000795*.

Bank offers a wide range of other products and services to various Customer segments, such as:

- Bank Accounts and Fixed Deposits;
- Debit and Credit Cards;
- Fund and non-fund based loans and advances to corporate and individual Customers;
- Wealth Management Services including distribution of mutual funds, sale of insurance products and referral of third party financial products;
- Remittance services;
- Foreign exchange services;
- Treasury services;
- Payments and Cash Management services;
- Factoring solutions;
- Trade services;
- Custody and Depository services;

Given below is a brief summary of the financial performance of the Bank for the last 4 years:

(₹ in crores)

Year	Deposits	Total Advances	Investments	Gross Earnings	Net Profit	Paid Up Capital	Reserves
2018-19	1,02,609	66,904	70,973	11,938	2,565	4,499	18,582
2019-20	1,24,902	76,580	71,622	13,802	2,777	4,499	21,362
2020-21	1,65,271	71,673	83,494	14,439	3,631	4,499	24,966
2021-22	1,85,481	81,846	95,415	14,301	3,191	4,499	28,178

Promoters of the Portfolio Manager, Directors and their background.

3.1.1. Promoter

The Hongkong and Shanghai Banking Corporation Limited, India is a branch of The Hongkong and Shanghai Banking Corporation Limited. Established in Hong Kong and Shanghai in 1865.

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of USD2,990bn at 31 March 2023, HSBC is one of the world's largest banking and financial services organisations.

The Hongkong and Shanghai Banking Corporation Limited

Incorporated in the Hong Kong SAR with limited liability

Registered Office and Head Office: HSBC Main Building, 1 Queen's Road Central, Hong Kong

3.1.2. Board of Directors of The Hongkong and Shanghai Banking Corporation Limited (HBAP) As at 31 May 2023

1. P T S Wong#, Chairman
2. David Gordon Eldon#, Deputy Chairman
3. I Y L Lee*
4. Kevin Anthony Westley*
5. Choi, Yiu Kwan*
6. Cheng Chi Man*
7. Kuok Khoon Chen
8. Liao Yi Chien David, Co-Chief Executive Officer, HSBC Asia-Pacific
9. Surendranath Ravi Rosha, Co-Chief Executive Officer, HSBC Asia-Pacific

10. Rajnish Kumar*
11. Andrea Lisa Della Mattea*

*Independent non-executive Director
#Non-executive Director

The Hongkong and Shanghai Banking Corporation Limited (India Branches)

3.1.3. Members of Executive Committee of HSBC India as on 31 May 2023

Hitendra Dave, General Manager and Chief Executive Officer, HSBC India

Dave, as the Chief Executive Officer, India, is responsible for HSBC Group's business in the country and will be a member of Asia Pacific Executive Committee, underlining the importance of the India business within HSBC.

Dave, formerly Head of Global Banking and Markets of HSBC India, has almost 30 years work experience in the Indian Financial Markets, of which the last 20 have been with HSBC. He joined the Bank in 2001 in the Global Markets business and has risen through the ranks to his current role as MD and Head of Global Banking and Markets business, the dominant contributor to HSBC India's PBT over the year. Dave is a post graduate in Business Administration and holds a degree in Economics from Delhi University.

Ramaswamy Meyyappan: Chief Risk Officer, HSBC India

Ramaswamy Meyyappan has been appointed as Chief Risk Officer, India, effective 08 June 2023. Ramaswamy joins us from IndusInd Bank where he was the Chief Risk Officer, responsible for managing the various risk stripes and in the past has also handled Financial Restructuring and Recovery. He brings a wealth of experience to this role, given his over three decades of experience in the financial services sector and has also held senior roles across international banks including Standard Chartered, ABN AMRO, and J.P. Morgan Chase Bank.

Amitabh Malhotra, Head of Global Banking, HSBC India

Amitabh joined HSBC in July 2018 as Head of Investment Banking, India where he was responsible for Mergers and Acquisitions and Equity Capital Markets business.

Prior to HSBC, Amitabh worked at Rothschild India, where he was the co-head and managing director of the Global Investment Bank, based in Mumbai. He has also worked with KPMG, J.P. Morgan and BZW. With over 20 years of investment banking experience, he has worked on many cross-border Mergers and Acquisitions, Initial Public Offerings and Private Equity transactions across industries such as telecom, healthcare, pharmaceuticals, aviation, consumer, business services and power. In addition to India, his transaction experience extends to multiple Asian Markets i.e. Hong Kong, Singapore, China, Indonesia, Philippines, Vietnam and Sri Lanka.

Abadaan Viccaji: Chief Compliance Officer, HSBC India

Abadaan Viccaji joined HSBC in April 1998 and is responsible for Regulatory Compliance for HSBC India. For the last 20 years in HSBC, he has managed the compliance function for various businesses including Global Banking and Markets, HSBC Securities Services and Commercial Banking before taking over as the Head Compliance in April 2012. The current role has a broad remit and is responsible for leading implementation and management of all aspects of Regulatory Compliance, including impact analysis of regulatory changes and driving coordination and execution of the various Regulatory Compliance work streams and assurance in India. Prior to HSBC, he has worked in the National Stock Exchange of India (NSE) for 3 years.

Amit Moghay: General Counsel, HSBC India

Amit Moghay qualified as a lawyer from National Law School of India University and joined the HSBC Group in 2003 in the Legal and Compliance function of HSBC Securities and Capital Markets (India) Private Limited.

Amit has handled key M&A and advisory transactions, including those for the HSBC Group in India. Amit specialises in banking and commercial law, with strong emphasis on corporate law and structured finance. Amit has been instrumental in driving legal policies, as well as implementing procedures and processes to manage legal risks in India.

N Suresh: Chief Operating Officer, HSBC India

Suresh has been appointed as the Chief operating officer of India.

In his former role, as the Head of Financial Crime for India overseeing all Financial Crime Risk (FCR) matters for the market and actively managing relationships with regulators and law enforcement agencies locally from FCR perspective. He has played a pivotal role over the last three years in driving the Financial Crime Risk agenda for India and has contributed significantly to safeguard business growth and manage Financial Crime Risk.

Suresh is a graduate in Electronics and has over 25 years of experience within HSBC, having held several leadership positions across the Bank, covering areas like sales and branch management in Wealth and Personal Banking (WPB), Business Re-engineering, Consumer Risk and Digital Business Services (DBS).

Sandeep Batra: Head Wealth & Personal Banking, HSBC India

Sandeep Batra is the Head of Wealth and Personal Banking (WPB) India since August 2022. As the Head of WPB, he is responsible for executing the Bank's strategy to rank among the top three for Wealth among foreign banks in India, strongly positioning HSBC as a preferred foreign bank to India's emerging affluent and globally mobile Indians.

Additionally, Sandeep supports the ongoing focus on delivering mobile-first digital wealth capabilities and enhancing product offerings to support the financial and wealth needs of onshore clients across the full spectrum of the Bank's customer base.

Sandeep brings over 22 years of rich experience in retail and international banking across markets such as Russia, Thailand, Singapore, and India. He is an MBA from the Indian Institute of Management (IIM), Bangalore, and an undergraduate from the University of Delhi, India.

Ranjan Bhattacharya, Chief of Staff, HSBC India

Ranjan Bhattacharya is a career HSBC banker having joined HSBC in 2001, with more than 15 years of specialised experience in banking solutions for Financial Institutions and Corporates.

Mr. Bhattacharya heads Strategy & Planning for HSBC in India, a global priority market for HSBC - currently ranked fourth in terms of PBT contribution, amongst more than 70 markets globally.

In his previous role, he was heading the Custody business for HSBC Securities Services in India. He has been involved across multiple leadership roles in HSBC successfully leading strategic initiatives of the Bank across both FI and Corporate Customers of HSBC Global Banking and Markets as well as Commercial Banking. With vast exposure across the domains of product management, Customer relationships, sales, business management and service delivery, he is recognised as a subject matter expert in the area of transaction banking solutions in India, and Financial Institutions sector. He has been a speaker in key industry events and contributed to industry publications, supporting HSBC's efforts for market change and investor reforms. He has also led HSBC's services to be recognised by many industry awards and felicitations.

Mr. Bhattacharya has an MBA in Finance and is an associate of the Indian Institute of Bankers. He is a keen supporter of social initiatives and has been a founder member of a Rotary International club in Mumbai.

Ajay Sharma: MD & Head Commercial Banking, HSBC India

Ajay Sharma is the Managing Director and Head of Commercial Banking for The Hongkong and Shanghai Banking Corporation Limited in India. The India Commercial Bank provides services to corporate clients and businesses ranging from small enterprises and startups focused on the domestic market to companies operating internationally and support them with a full suite of products covering their need for financing capital expenditure and working capital, accessing capital markets, treasury and trade solutions and managing foreign exchange risks.

Ajay is a key member of the HSBC India top team and is a member of the Bank's Executive Committee in the country. Ajay joined HSBC Hong Kong in the Commercial Bank in 2014 as the Regional Head of International Subsidiary Banking. Since 2017, he has headed the Global Trade and Receivable Finance business across Asia Pacific.

Prior to HSBC, Ajay worked with Citibank for 26 years in variety of roles across India, London, Tokyo and Singapore. Ajay earned a Bachelor of Technology Degree in Chemical Engineering from the Indian Institute of Technology, Delhi in 1985. He also completed his MBA from the Indian Institute of Management, Ahmedabad in 1988.

Archana Chadha: Head Human Resources, HSBC India

Archana Chadha is the Head of Human Resources for HSBC, India and is responsible for driving HSBC's People strategy to support the growth of India businesses in a rapidly changing and digital environment.

An accomplished HR leader with a career spanning over two decades in HSBC India, Archana has rich and extensive experience across different businesses including Retail Banking, Securities Services and Human Resources.

Prior to taking up her current role at HSBC, Archana was Head of Performance and Rewards, HSBC India and responsible for the pay and performance delivery to all of HSBC's Businesses and Entities in India.

HSBC, India has recently been named amongst the Top 25 Best Companies to Work for, and amongst the 20 Most Respected Companies in India. She is committed to leverage her strengths to take these achievements to greater heights.

Shalaka Kagathra: Head – Communications, HSBC India

Shalaka Kagathra has been appointed as Head Communications, India effective 1 June 2023.

She spearheads communications for HSBC India, developing strategies to support the Bank's corporate brand and business objectives. Shalaka has over two decades of experience in the financial services sector, with strong capabilities across reputation management, crisis communication and external and internal communications. Her ability to be in the trenches complements her macro view of the economy. With this approach, she brings together, both a long-term strategic focus along with attention to detail to deliver in the short term.

Before joining HSBC, Shalaka was SVP and Head of Corporate Communications of Edelweiss Financial Services. Her past experiences working with National Commodity & Derivatives Exchange, IL&FS Investsmart, Travel Corporation of India among others, saw her positioning and building brands with a cohesive communication strategy. She has completed her MBA in Marketing from Institute of Technology & Management.

Amitabh Nevatia: Chief Financial Officer, HSBC India

Amitabh joined HSBC India as CFO from 1 May 2019. Amitabh joined HSBC in 1998 in Dubai and has done various roles in Finance over the years in Dubai and in Buffalo, USA. His last role was Head of ALCM, MENAT based out of Dubai.

Amitabh holds a Bachelor's Degree in Commerce from Calcutta University and is a Chartered Accountant from Institute of Chartered Accountants of India. Prior to HSBC, Amitabh worked with the Big 4 Audit firms in Kolkata, New Delhi and Dubai.

Vivek Nevatia: Head of Internal Audit, HSBC India

Vivek Nevatia is the Head of Internal Audit, India from September 2021. Vivek has more than 20 years of global experience as a professional Auditor in Financial Services and other industries, including coverage of varied business lines and functions, representing Internal Audit (IA) at key governance forums, managing relationships with domestic and global regulators and building and leading teams across multiple locations, products and functions.

Vivek re-joins HSBC from Citibank where he was the Audit Director for Global Consumer Business across Asia Pacific for 7 years managing teams across 17 countries in the region along with establishing the Issue Validation HuB and IA Analytics team. Vivek was with HSBC for eight years, first with the local US IA team executing audits across multiple businesses, functions and processes and then joining the Global Service Delivery audit team in Chicago, USA and later on moved with the Global Service Delivery audit team to India as the Country Lead for India.

Vivek earned a Master of Commerce in Accounting and Audit from the University of Mumbai and an MBA in Finance, along with an Masters in Accountancy from Illinois State University.

Aloka Majumdar: Managing Director, Global Head of Philanthropy & Head of Sustainability, HSBC India

Aloka Majumdar has been appointed Managing Director, Global Head of Philanthropy & Head of Sustainability, HSBC India effective 1 June 2023.

She is a member of the HSBC India Executive Committee (EXCO). Graduating with Honours in Political Science from University of Calcutta, she started her career as a financial journalist. She specialised in covering Banking, Finance and the Corporate sector working with leading business publications such as the Financial Express and Business India.

In her capacity as Global Head of Philanthropy, Aloka will focus on overseeing the execution of our new global philanthropy strategy, and aligning it with our ESG pillars of 'transition to net zero' (E) and 'building inclusion and resilience (S). She will work closely with multiple stakeholders including leadership teams in each region, Group Head of Sustainability Policy and Partnerships in the Sustainability CoE (Centre of Excellence) , Office of the Group CEO, and external stakeholders across our programmes. As the Head of Sustainability for HSBC India, Aloka will continue to lead the fulfilment of our growing sustainability priorities and initiatives for the Group in India, including at the Bank and the 7 Group companies including HSBC Electronic Data Processing India and HSBC Technology India. She has worked extensively with a wide range of stakeholders including our regulators, developmental organisations, multilateral agencies, academia and government.

She has also represented HSBC India in many relevant forums of leading industry bodies. Before joining HSBC India in 2010, Aloka was integral in leading the Corporate Citizenship portfolio for Citibank in India, focusing on financial inclusion. Aloka started her career as a financial journalist and went on to specialise in Banking & Finance working with two leading publications –The Financial Express and Business India.

Anita Mishra: Head of Markets & Securities Services (MSS), HSBC India

Anita Mishra is the Head of Markets and Securities Services, India from December 2021. Prior to her current role, she joined lead responsibility for the Corporate Risk Solutions (CRS) business globally, within Capital Financing and Investment Banking Coverage (CFIBC) in Global Banking. She joined HSBC Global Markets, Hong Kong in 2010 in Corporate Sales and has held various positions in this capacity focusing on financing and event related risk management for Corporates and Private Capital clients. Before joining HSBC, she held positions at BNP Paribas, J.P. Morgan and Lehman Brothers. Anita has an MBA in Finance and Marketing from the Indian Institute of Management, Calcutta and Masters in Finance from the London Business School.

3.2. Group Companies of the Portfolio Manager in India

Top 10 Group companies'/firms basis turnover in accordance with unaudited financial statements for the year ended 31 December 2022.

Sr. No.	Name of Group Entity
1	HSBC Software Development (India) Private Limited
2	HSBC Electronic Data Processing India Private Limited
3	HSBC International Banking Unit
4	HSBC InvestDirect Financial Services (India) Limited
5	HSBC InvestDirect (India) Limited
6	HSBC Professional Services (India) Private Limited
7	HSBC Agency (India) Private Limited
8	HSBC InvestDirect Sales & Marketing (India) Limited
9	HSBC Mutual Fund (Trust)
10	HSBC InvestDirect Employee Welfare Trust

3.3 Details on Non-Discretionary Portfolio Advisory services:

Non-Discretionary Portfolio Advisory Service constitute an integral part of our services to UHNWI clients of our Private Banking segment.

Under this service, we offer non-discretionary portfolio advisory services on direct plan schemes of various mutual funds in India ('Investment Products'). To provide suitable advisory services, HSBC India will undertake a risk profiling of the customer using own proprietary tools and assign a Product Risk Rating for each scheme based on its internal due diligence. Based on the customer's risk profile, HSBC India will make recommendations on the percentage of investment allocation for each category of schemes within the Investment Product to match the customer's risk profile, Product Risk Rating and investment objectives of the client. All investment decision, irrespective of the advisory provided by HSBC, will be by the customer at his or her sole discretion. The offering will include platform support to execute transaction in accordance with the client's instructions. On a monthly basis, HSBC India will charge a fee to customer for providing the above services. Please refer to section 9 on Nature of Expenses for more details.

4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority.

4.1 All cases of penalties imposed by the SEBI or directions issued by SEBI under the Act or Rules or Regulations made there under, the nature of the penalty/direction and penalties imposed for any economic offence and/or for violation of any securities laws.

- During last three years, no penalties have been imposed on the Portfolio Manager by SEBI and no material adverse directions have been issued by SEBI under the Act or Rules or Regulations made thereunder. SEBI has though notified the Bank to ensure compliance with the provisions of SEBI (Portfolio Managers) Regulations 1992 and the directives/circulars issued therein, pursuant to observations noted during the inspection carried out by SEBI in the month of March 2017

4.2 Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.

As on 31 May 2023

There are local court cases by the Bank/Bank's customers in the normal course of banking business. Other disputes that are pending/settled are:

1. State Consumer Dispute Redressal Commission, Bangaluru

Tara Rao

Vs

The Hongkong and Shanghai Banking Corporation Limited & Others
Pending

2. National Consumer Dispute Redressal Commission

Rusi Postwalla & Anr

Vs

The Hongkong and Shanghai Banking Corporation Limited & Others
Pending

3. Metropolitan Magistrate, Patiala Courts, New Delhi

State (defacto Complainant - Tara Rao)

Vs

HSBC & Others
Fresh case

4. Calcutta High Court

Orijit Das

Vs

HSBC & Others
Fresh case

4.3 Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency.

There has been no deficiency in the systems and operations of the Portfolio Manager, observed by SEBI or any regulatory agency.

4.4 Any enquiry/adjudication proceedings initiated by SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or Rules or Regulations made thereunder.

Enquiries against HSBC Securities and Capital Markets (India) Private Limited

- SEBI initiated an enquiry against HSBC Securities and Capital Markets (India) Private Limited (HSCI) and accordingly issued a Show Cause Notice dated 30 July, 2008, calling upon HSCI to show cause as to why further action should not be taken against HSCI, for the violations alleged to have been committed by HSCI under Regulations 25 and 38 of the SEBI (Intermediaries) Regulations, 2008. HSCI had filed a detailed response in this regard on 10 September, 2008, and had sought a personal hearing in the matter. Accordingly, submissions were made by HSCI's counsel at the hearing held on 6 October, 2008. Pursuant to the said hearing, SEBI has, vide its letter dated 4 March, 2009, informed HSCI of the enquiry officer's recommendation, i.e. the matter is not a fit case to levy any penalty
- An enquiry was held under the SEBI (Procedure for Holding Enquiry by the Enquiry Officer and Imposing Penalty) Regulations, 2002, in the matter of a voluntary open offer made by Mr. V.K. Modi, Dr. B.K. Modi, Mod Fashions and Securities Private Limited and Modikem Limited, in concert with Witta International Inc. and Sidh International Limited (collectively the Acquirers) to the shareholders of Modi Rubber Limited. Subsequent to the enquiry officer's recommendations of a major penalty, a show cause notice dated 1 August, 2003, was issued, requiring HSCI to show cause as to why HSCI's certificate of registration should not be suspended for 6 months. HSCI submitted its reply and sought a personal hearing, wherein submissions were made by HSCI's counsel at the hearing held on 9 October, 2003. SEBI, vide its order dated 9 December, 2003, confirmed that HSCI had not acted negligently, and that imposition of a penalty was not warranted

Penalties issued against HSBC Securities and Capital Markets (India) Private Limited

- SEBI had initiated an enquiry against HSBC Securities and Capital Markets (India) Limited (HSCI) under the SEBI (Procedure for Holding Enquiry by the Enquiry Officer and Imposing Penalty) Regulations, 2002, in the matter of the Open Offer made by Global Green Company Limited to the shareholders of Saptarishi Agro Industries Limited in September 2000, under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Subsequent to the enquiry officer's recommendations of a minor penalty, that HSCI be censured, a show cause notice was issued by SEBI, requiring HSCI to show cause as to why the said penalty should not be imposed. SEBI had subsequently vide its order dated 7 March, 2007, imposed a minor penalty of censure on the certificate of registration of HSCI. Thereafter, HSCI appealed against the said order before the Securities Appellate Tribunal, Mumbai on 23 April, 2007, wherein SAT upheld the Order passed by SEBI
- A Show cause Notice was issued to HSCI vide a letter dated 9 June, 2000, in the matter of the rights issue of Siemens Limited, in which HSCI was acting as the Lead Manager, requiring HSCI to show cause as to why action should not be taken against HSCI for non-disclosure in the offer document of certain litigations against Siemens Limited, involving ex-employees. Subsequently, SEBI, vide its letter dated 26 September, 2000, advised HSCI to be cautious in future assignments
- SEBI had issued an administrative warning letter dated 29 February, 2008, to HSCI in respect of a matter, wherein incorrect Customer codes and Customer type was punched during execution of a trade on behalf of its Customer HSBC Financial Services (Middle East) Limited in the scrip of Anant Raj Industries Limited

- HSCI was appointed as a manager to the open offer made by India Star (Mauritius) Limited (India Star) to the shareholders of Garware Offshore Services Limited, which was completed in 2008. An individual shareholder had filed a complaint with SEBI in January 2012, against India Star, alleging inadequate disclosures with regard to (i) the ultimate shareholders of India Star and (ii) one of the directors who had certain criminal charges pending against him. SEBI had dismissed the complaint stating that the disclosures made during the open offer were in terms of the SEBI Takeover Regulations. Thereafter the complainant filed an appeal before the Securities Appellate Tribunal in November 2012, where HSCI was also inducted as a party. SAT passed an order dated 3 September 2013, directing SEBI to reconsider the complaint but did not express any opinion on the merits of the case. SEBI has passed an order dated 21 November 2014, reprimanding India Star and HSCI for non-disclosures with regard to the ultimate shareholders of India Star. The non-disclosures of litigation against one of the directors has been held to be not required as per the Takeover Regulations
- SEBI has issued a letter dated 11 April 2017 in connection with inspection of books and records of Merchant Banking activities of HSCI, conducted in January 2016. In terms of letter, SEBI has issued an administrative warning in regard to record keeping of one transaction. Further, in the matter of Open Offer made to the shareholders of United Spirits Limited, SEBI has initiated adjudication proceedings under SEBI Act, 1992. HSCI was acting as a Manager to the Open Offer in relation to the said takeover transaction. We are awaiting for further details on adjudication proceedings
- SEBI vide its letter dated 21 July 2022 has warned HSCI along with other Book Running Lead Managers (BRLMs) for non-disclosure of certain facts in DRHP of one of the proposed IPO. It was noted that the DRHP fails to disclose the presence of a probable cause of investigation/examination w.r.t certain promoters of the issuer company

HSBC Asset Management (India) Pvt. Ltd.

- SEBI issued a Show Cause notice dated 7 August 2009 to the Trustees of the Mutual Fund, Mutual Fund, AMC & CEO pertaining to the changes made in the Scheme Information Document of HSBC Gilt Fund via an Addendum. SEBI stated in the said Show Cause notice that the change made to the name, benchmark index and duration of the Scheme would be construed as a change in the fundamental attribute of the Scheme and hence the applicable provisions of the SEBI (Mutual Funds) Regulations, 1996 with respect to the same should have been complied with. The AMC has on behalf of the Trustees of the Mutual Fund, the Mutual Fund and CEO filed its response with relevant supporting documents with SEBI. Subsequently, the personal hearing took place before the Whole Time Member, SEBI. After considering the submissions made by the AMC, Whole Time Member, SEBI vide its order dated 23 April 2010 disposed-off the show cause notice dated 7 August 2009 and warned the Board Trustees of the Mutual Fund, the Mutual Fund, AMC and its CEO that they should strictly comply with the law governing the conduct and business of mutual fund in securities market

Against the SEBI Order dated 23 April 2010, two appeals were filed with the Securities Appellate Tribunal (SAT) by certain aggrieved investors of HSBC Gilt Fund.

SAT issued Order dated 3 May 2011 and 5 July 2012 to the Mutual Fund, Trustees of the Mutual Fund, AMC and CEO of the AMC pertaining to the change effected in modified duration in HSBC Gilt Fund during January 2009. SAT held that the changes brought about in the scheme altered the fundamental attributes of the same affecting the interest of unitholders. SAT therefore directed the AMC and related parties to comply with regulation 18(15A) of the SEBI Regulations and provide an exit option to the appellants of the case. An appeal was filed by the AMC against these Orders before the Supreme Court and the same admitted before the Supreme Court, however the Supreme Court has vide Order dated 15 January 2014 dismissed the said appeal. The AMC has complied with the directions under SAT and Supreme Court Order.

Garnishee Notice from Income Tax Authorities:

During the financial year 2011-12, an Income Tax demand of ₹ 32.58 crores was purported to be recovered under garnishee proceedings, by Income Tax Authorities in respect of investments made in Pass through Certificates (PTC) by some of the debt schemes (including matured schemes) of HSBC Mutual Fund (HSBC MF), for A.Y. 2009-2010. The said demand, impacting various mutual fund players in the industry, raised originally on the trusts sponsored by IL&FS Trust Company Ltd., (Appellants) was sought to be also recovered u/s 177(3) of the Income Tax Act, from HSBC MF. Similar to AY 2009-10, HSBC MF had received a demand notice from the Income Tax authorities for AY 2010-11 for ₹ 6.95 crores. Further, assessment for the A.Y. 2007-2008 was also been reopened by the Income Tax Authorities and demand of ₹ 2.04 crores was made on the trust sponsored by IL&FS Trust Company Ltd. HSBC MF has not received any demand notice from the Income Tax authorities for this assessment year.

Against all the above demands, an appeal was filed by the Appellant with the first Appellate Authority CIT(A) and thereafter with ITAT. The matter of several Loan Trusts were consolidated and heard by ITAT and vide order dated 17 February 2017, the Income Tax Appellate Tribunal (ITAT) passed an order allowing the appeal of the assessee and dismissed the appeal of the Revenue. The Department has filed rectification applications under section 254(2) of the Income Tax Act with ITAT against the favourable orders passed by ITAT on the ground that the Income Tax Appellate Tribunal has failed to consider all aspects of revenue contentions/appeal. . The ITAT has vide its order dated 25 March 2022 dismissed the MA filed by department. An appeal filed by Revenue in the High court against the aforesaid order of February 2017 is yet to be heard.

- HSBC Asset Management (India) Private Limited acquired the entire share capital of HSBC Consultancy Services (India) Limited (HCSI) (erstwhile L&T Investment Management Limited), The Asset Management Company of erstwhile L&T Mutual Fund, on 25 November 2022 (LTMF Acquisition). SEBI had issued a Show Cause Notice dated 20 March 2023 (SCN) to HCSI alleging certain deficiencies and non-compliances with respect to certain provisions of SEBI (Mutual Funds) Regulations, 1996 in relation to the regulatory inspection of the HCSI in the period from 1 April 2019 To 31 March 2021. In this regard, the necessary action has been taken by HCSI

HSBC InvestDirect Securities (India) Limited

HSBC InvestDirect Securities (India) Private Limited has filed an application with SEBI to settle the proceedings initiated vide SEBI Show Cause Notice dated 30 July 2009, for the alleged violations with reference to certain customer transactions in the year 2000/2001. SEBI has subsequently issued Settlement Order no.S0/efd-2/sd/182/jan/2018 on 17 January 2018 accepting settlement terms and the matter is considered closed.

5. Description of Customer Risk Tolerance and linkage to Investment objectives

The Investment Objectives are based on the Customers' Risk Tolerance, as generated by the Customer completing the Risk Profiler. There are six levels of risk tolerance defined, depending on the level of risk that the Customer is willing to take. The six levels of risk tolerance from the lower to the higher degree of risk tolerance for the Customer are: **a) Secure b) Risk Averse c) Conservative d) Balanced e) Dynamic and f) Very Dynamic.**

a) Secure

The customer generally does not want to take any investment risk, since you can accept no investment loss. The financial products with an investment element are not suitable for the customer. Products that are potentially suitable for the customer are likely to produce returns that are based on prevailing interest rates which may or may not keep pace with inflation.

b) Risk Averse

The Customer is generally comfortable with achieving minimal level of return potential on his/her investment coupled with minimal risks. Capital values of products that are potentially suitable for the Customer can fluctuate and may fall below the original investment. In normal market conditions fluctuation is expected to be minimal (although this is not guaranteed), and the Customer is comfortable with this level of fluctuation.

c) Conservative

The Customer is generally comfortable with achieving a moderate level of return potential on his/her investment coupled with a moderate level of risk. Capital values can fluctuate and may fall below the original investment. Fluctuation is expected to be higher than products that are suitable for investors in lower risk tolerance categories, but not as much as for higher risk tolerance categories.

d) Balanced

The Customer is generally comfortable with achieving a low level of return potential on his/her investment coupled with a low level of risk. Capital values of products that are potentially suitable for the Customer can fluctuate and may fall below the original investment. In normal market conditions fluctuation is expected to be low (although this is not guaranteed), and the Customer is comfortable with this level of fluctuation.

e) Dynamic

The Customer is generally comfortable with achieving a high level of return potential on his/her investment coupled with high level of risk. Capital values can fluctuate significantly and may fall quite substantially below the original investment. The Customer understands the risk/reward equation and is comfortable with this level of fluctuation.

f) Very Dynamic

The Customer is generally comfortable with maximising his/her return potential on investment coupled with maximised risk. Capital values can fluctuate widely and may fall substantially below the original investment. The Customer understands the risk-reward equation, and is comfortable with this level of fluctuation.

The investment objective, as noted above, is recommendatory in nature and the acceptance of the same is not obligatory on the Customer. The Customer has to judge the same, based on various other factors, which includes but are not limited to risks, returns (not guaranteed), personal objectives etc. on which the Portfolio Manager has no discretion or control and indeed, the Customer may make investment decisions on their own accord, which may be outside of the investment philosophy or investment objective applicable to the Customer.

Investment Pattern and Type of Securities

Based on the investment objective defined by the Customer and customer's risk tolerance, and subject to Regulations, including any overseas regulations, that may apply to non-resident Customers, the Portfolio Manager will recommend the Customer to make investment decisions (according to customer's risk tolerance and aligning the existing portfolio basis the respective asset mix) in any of the Investment Products, as defined hereinabove. The Portfolio Manager may recommend asset allocation to the Customer in such Investment Products in accordance with the model portfolio for the Customer's risk profile, as assessed in the Profiling process undergone by the Customer. The recommendations will be in the form of portfolio discussions and proposals such that the recommendations will provide the rationale for the same (according to customer's risk profile and aligning the existing portfolio basis the respective asset mix) of the Investment Product.

6. Risk factors

General Risk Factors

- Investment Products are subject to market risks and the Portfolio Manager does not, in any manner whatsoever, assure or guarantee that the objectives of the Services will be achieved
- The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolios by the Customer, or any investment advice provided to the Customer
- The value of the Portfolio can go up or down depending on the factors and forces affecting the capital market and the Bank is not responsible or liable for losses resulting from the operations of the Portfolio by the Customer
- The Customer shall not question any act, deed, omission or commission of the Bank under this Agreement, taken in good faith except on grounds of malafide, negligence, conflict of interest and/or fraud
- All the risks arising out of loss or damage occasioned, including but not limited to market conditions, force majeure circumstance, delay or refusal by a company or corporation or other authorities including government authorities to register the transfer of any of the securities in respect of the Customer's account, the securities which are purchased and refused to be transferred in the name of the Customer, by the company or corporation concerned, will be at the sole risk and responsibility of the Customer concerned
- The Customer agrees and undertakes to furnish any information, papers and documents as may be required by the Bank in connection with tax incidence or implications and also for the proper operation of the Customer's account thereto
- Customers under the Services are not being offered any guaranteed/ assured returns
- The Non-Discretionary Portfolio Advisory Service is subject to risk arising from the investment objective, investment strategy and asset allocation selected by the Customer
- The Non-Discretionary Portfolio Advisory Service is subject to risk arising out of non-diversification when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments so as to spread the individual risk of the investment across a basket of investments in the portfolio
- The Customer understands and acknowledges that past performance is not necessarily indicative of likely future performance
- The values of the Customer's Portfolio may be affected by changes in the general market conditions, factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, liquidity, settlement periods, transfer procedures, exit impediments, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc
- The Bank does not provide any warranty (express or implied) as to the appreciation in the value of the Investment Products in which the Bank provides Non-discretionary Portfolio Advisory Services

- The tax benefits described in this Disclosure Document are as available under the present taxation laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the Portfolio Manager regarding the law and practice in force in India and the Customers should be aware that the relevant fiscal rules or their interpretation may change and will not be applicable to the customers not resident in India. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each investor is advised to consult his/her own professional tax advisor
- Prospective investors should review/study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting, purchasing or holding portfolio of securities before making an investment
- Investments are subject to certain risks viz. limited liquidity in the market, settlement risk, impeding readjustment of portfolio composition, highly volatile stock markets in India, etc. Such loss could arise due to factors which, by way of illustration, include, default or non-performance of a third party, company's refusal to register a security due to legal stay or otherwise, or disputes raised by third parties. Mis-judgment by the Portfolio Manager or his incapacitation due to any reason, however remote, is also a risk. Thus, the investment in Indian capital markets involves an above average risk for investors, compared with other types of investment opportunities. Investments will be of a longer duration compared to trading in securities. There is a possibility of the value of investment and the income there from falling as well as rising, depending upon the market situation. There is also a risk of total loss of value of a security and possibilities of recovery of loss in investments only through legal process
- The investments made are subject to external risks such as war, natural calamities, policy changes of local/international markets etc., beyond the control of the Bank which affects stock markets
- Any policy change/technology change/obsolescence of technology would affect the investments made in a particular industry
- The Customer has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document before entering into the Agreement
- The value of the Customer's Portfolio may increase or decrease depending upon various market forces affecting the capital markets

- **Mutual Fund Risk:** The investment products offered by the Bank as part of the Non-Discretionary Portfolio advisory services comprise of those mutual funds and/or schemes of mutual funds that are established and/or managed by asset management companies registered in India, in accordance with the Bank's internal policies and procedures, a list of which will be available with the Bank and may be accessed by the Customer through the Bank's website (www.hsbc.co.in) or by visiting any HSBC Bank branch. It is therefore important for the Customer to note the risk arising from investing in units of mutual funds as mentioned specifically here. The other risks associated with investment products have been explained in the rest of the section. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. In addition, events like change in name of the Fund Manager of the Scheme, take over and mergers of mutual funds, foreclosure of Schemes or plans, change in government policies could affect performance of the investment in mutual fund units

Mutual Fund investments are subject to market risks, read all scheme related documents carefully

- **Macro-economic risks:** Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently on the growth of the investments held in the Portfolio of the Customer
- **Liquidity Risks:** Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investment product's underlying investments. Transacting may become difficult due to extreme volatility in the market resulting in constriction in volumes. The liquidity of the Customer's portfolio investments is inherently restricted by transaction volumes in the investment products in which the investment is made
- **Credit Risk:** Debt securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations. The investment products also face reinvestment risk, which refers to the interest rate levels at which cash flows received for the securities in the investment products are reinvested. Investments in debt instruments are subject to reinvestment risks, as interest rates prevailing on interest or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
- **Interest Rate Risk:** Customers intending to invest in securities linked to interest are aware that such products are associated with movements in interest rate, which depend on various factors, such as government borrowing, inflation, economic performance, etc. The value of investment will appreciate/depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. Acts of state, or sovereign action, acts of nature, acts of war, civil disturbance, etc., may also cause the interest rate to fluctuate and accordingly impact the market value of fixed income investments.
- **Legal Risk:** The Customer stands the risk of total loss of value of an asset, which forms part of the Portfolio. The Customer also bears the risk of its recovery through legal process, which could be expensive. Some of the risks, by way of illustration, include default or non-performance of a third party, company's refusal to register a security due to legal stay or otherwise, or disputes raised by third parties.
- **Derivative risks:** Derivatives will entail a counter party risk to the extent of amount that can become due from the party. The cost of the hedge can be higher than the adverse impact of market movements. An exposure to derivatives can also limit the profits from a genuine investment transaction. Efficiency of a derivatives market depends on the developments of a liquid and efficient market for underlying securities and also on the suitable and acceptable benchmarks.
- **Price/Volatility Risk:** Equity Markets can show large fluctuations in prices, even in short periods of time. Investors should be aware of this and only invest in equity or equity related products if their investment horizon is long enough to support these important price movements.

- **Conflict of Interest:** HSBC is subject to conflicts of interest relating to portfolio advisory, execution and settlement services on account of the various HSBC group entities that may be involved in conflicting activities.

HSBC Asset Management is an investment manager offering a variety of mutual fund schemes. The Bank maintains an arms-length relationship with the Asset Management entity. The Bank may or may not advise on investing in funds offered by HSBC Asset Management based on its independent analysis and suitability for its Customers.

HSBC may be involved in a public offering of securities of various companies, providing investment banking services or market making in securities on which advisory is provided. Disclosures of any conflicts shall be made to Customers appropriately.

- HSBC has procedures in place to identify and manage any potential conflicts of interest that arise in connection with its Portfolio advisory business. Information barrier procedures are in place between the Investment Banking and Wealth and Personal Banking businesses to ensure that any confidential and/or price sensitive information is handled in an appropriate manner.
- **General Risk Factors – Disclaimer:** The investment pattern, as advised by the Portfolio Manager, should not be construed as an offer or recommendation or solicitation of any offer to buy or sell or hold any securities or other financial instruments. The material/information contained herein is not to be construed as tax, investment professional or legal advice. In the event that a Customer seeks to invest his/her funds on the basis of the advice of the Portfolio Manager, the Customer must do so at his/her sole risk and must consult with his/her own legal, business, professional and tax advisors to determine the appropriateness and the consequences of such an investment and arrive at an independent evaluation of the same. HSBC shall not, in any manner, be liable for the consequences arising out of such investment made by the Customer. The Customer assumes the entire risk of any use made of the statement/material/information enclosed/provided herein. HSBC and its employees/agents are not, in any way, representing as to having any interest therein and as to the truth, and/or completeness, and/or accuracy of any information contained herein/attached here with and the same is subject to change without notice or intimation and is intended only for the person or entity to which it is addressed. This Document may contain confidential and/or privileged material, and is not for any type of circulation. It may not (directly or indirectly) be reproduced, further distributed to any person or published, in whole or in part, for any purpose whatsoever. The investment patterns, as advised, may not be suitable for all investors. Customers/Investors who undertake multiple and frequent transactions in their portfolio, based on their Portfolio Manager's advice, shall be doing so entirely at their own risk and HSBC and its Employees/Agents shall not be liable for the same. On the redemption of mutual fund investments, in addition to any advisory charges levied by the Bank, a redemption fee and certain tax liabilities may be applicable to the customer/investor, as detailed in the relevant Investment Product offering memorandum and documentation. Customer/Investor should seek independent legal, business, tax and financial advice prior to undertaking the redemption transaction.

7. Customer Representation

7.1 Category of Customers	No. of Customers	Portfolio Under Advice (Rs. Cr)	Discretionary/Non Discretionary (if available)
Associates / Group companies(last3years)			
As at 31 May 2023	0	0	NA
As at 30 Nov 2022	0	0	NA
As at 31 May 2022	0	0	NA
As at 30 Nov 2021	0	0	NA
As at 31 May 2021	0	0	NA
Others (last 3 years)			
As at 31 May 2023	0	0	Non-Discretionary Portfolio Advisory Services
As at 30 Nov 2022	0	0	Non-Discretionary Portfolio Advisory Services
As at 31 May 2022	0	0	Non-Discretionary Portfolio Advisory Services
As at 30 Nov 2021	0	0	Non-Discretionary Portfolio Advisory Services
As at 31 May 2021	0	0	Non-Discretionary Portfolio Advisory Services

7.2. Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

Please refer Annexure I

8. Financial Performance of the Portfolio Manager (based on audited financial statements)

Balance Sheet

(Currency: Indian Rupees in thousands)

	2021-22	2020-21	2019-20
A) CAPITAL AND LIABILITIES			
Capital	44,991,660	44,991,660	44,991,660
Reserves and surplus	281,780,300	249,662,076	213,627,232
Deposits	1,854,817,497	1,652,714,658	1,248,529,766
Borrowings	121,022,697	134,295,802	244,417,354
Other liabilities and provisions	170,488,666	217,794,099	359,580,577
TOTAL	2,473,100,820	2,299,458,295	2,111,738,262
B) ASSETS			
Cash and balances with Reserve Bank of India	279,140,398	335,722,614	42,876,165
Balances with banks and money at call and short notice	229,703,843	182,577,595	207,344,109
Investments	954,152,393	834,942,600	716,220,130
Advances	818,462,488	716,730,742	765,806,656
Fixed assets	7,400,876	7,781,039	7,641,322
Other assets	184,240,822	221,703,705	371,849,880
TOTAL	2,473,100,820	2,299,458,295	2,111,738,262
Contingent liabilities	20,112,981,819	17,300,384,906	19,042,025,160
Bills for collection	257,055,097	249,505,736	231,005,296

Profit and Loss

(Currency: Indian Rupees in thousands)

	2021-22	2020-21	2019-20
INCOME			
Interest earned	131,298,495	121,855,943	116,396,308
Other income	11,711,989	22,610,833	21,626,155
TOTAL	143,010,484	144,466,776	138,022,463
EXPENDITURE			
Interest expended	43,707,984	38,253,619	46,093,088
Operating expenses	40,842,274	39,519,655	35,253,238
Provisions and contingencies	26,548,527	30,374,395	28,899,894
TOTAL	111,098,785	108,147,669	110,246,220
Net profit for the year	31,911,699	36,319,107	27,776,243
Profit brought forward	54,078,584	32,222,990	19,609,515
TOTAL	85,990,283	68,542,097	47,385,758
APPROPRIATIONS			
Transfer to statutory reserve	8,071,881	9,079,777	6,944,061
Ratio (CRAR) requirements Transfer (from)/To	16,390,446		
Transfer to (from) investment reserve	(2,700,287)	30,115	174,615
Transfer to specific reserve	912,139	830,621	668,052
Transfer to Remittable Surplus retained in India for Capital to Risk-weighted Assets Ratio (CRAR) requirements			
Profit Remitted to Head Office			
Transfer to Capital Reserve - Surplus on sale of immovable properties	2,384,000	4,523,000	7,376,040
Surplus on Sale of Immovable properties	100,408		
Balance carried over to balance sheet	60,831,696	54,078,584	32,222,990
TOTAL	85,990,283	68,542,097	47,385,758

9. Audit Observation (for preceding 3 years):

No observations by statutory auditors in the annual financial statements for the last three financial years up to March 2023 pertaining to Non-Discretionary portfolio advisory services.

10. Nature of expenses

The following table is a tiered fee structure payable by Clients for availing the Non Discretionary Portfolio Advisory Services on a monthly basis, unless explicitly agreed otherwise. The fee will be recovered from customer's bank account with HSBC India, with applicable statutory taxes. The portfolio manager does not guarantee any return and the fees/ charges are independent of the returns earned by clients.

AUM (in Crores)	Upto ₹ 80 Crores	₹ 80-100 Crores	Above ₹ 100 Crores
Fees (% of Assets under Advice)	0.40%	0.30%	0.20% OR • ₹ 10 lakhs per ₹ 100 crores of AUM for amounts > ₹ 200crores

The above fee % are annualised and will be divided by 12 while applying to monthly average AUM.

HSBC will charge an advisory fee as a % of the monthly average AUM held by the customer plus any applicable governmental taxes and levies chargeable (or as agreed between the Bank and the Customer) to be recovered on a monthly basis. HSBC will not charge any up-front fees directly or indirectly to the clients.

In line with extant regulations, there will be no upfront or trail commissions received by HSBC from third party AMCs on the underlying asset under advice/management forming part of Non-Discretionary Portfolio Advisory Services proposition.

11. Taxation Implications and Benefits for Customers-Discloses the implications of investments in securities and the tax provisions on Income/Loss or Tax Deduction at Source on various investors.

It may be noted that the information given hereinafter is only for general information purposes and is based on the law and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment in the scheme/option will be accepted by the tax authorities or will continue to be accepted by them indefinitely.

Further statements with regard to tax benefits mentioned herein below are mere expressions of opinion and are not representations of the Portfolio Manager to induce any investor to invest, whether directly from the Portfolio Manager or indirectly from any other persons, by the secondary market operations. In view of the above, and since the individual nature of tax consequence may differ, in each case on, its merits and facts, each investor is advised to consult his/her or its own professional tax advisor with respect to the specific tax implications arising out of its particular portfolio or investment transactions made, as an investor.

In view of the above, it is advised that the investors appropriately consult their investment/tax advisors in this regard:

i. General

In view of the individual nature of tax consequences, each customer is advised to consult his or her tax advisor with respect to the specific consequences to him/her for the investment transactions or portfolio. The following provisions are as per the existing Income-Tax Act, 1961 ('the Act'). The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the customers' tax obligations.

Tax deduction at source

If any tax is required to be withheld on account of any present or future legislation, the payer will be obliged to act in accordance with the regulatory requirement in this regard.

Advance tax installment obligations

It will be the responsibility of the customer to meet the advance tax obligation installments payable on the due dates under the Act.

ii. Interest on Securities

Income by way of interest on securities will be taxed at the slab rates applicable to the assessee under the head 'Income from other sources'

iii. Dividend

With effect from 1 April 2020, dividend declared and paid by domestic company will be taxable in the hands of recipients at the applicable rates.

Particulars	TDS rates for Investors	Type of Investors
Dividend distributed by mutual fund	20%	Non-resident investor
	10%	Resident investor

iii. Capital Gains Tax

Tax treatment on capital gains in India depends on whether gains are long term ('LTCG') or short term ('STCG'). Gains are considered as long term if the asset is held for more than 36 months (12 months in case of units of an equity oriented fund).

Particulars	Tax rates to the Investors	TDS by Mutual Fund
A1. Debt Fund/Liquid fund/any other fund (other than Equity oriented mutual fund) (units acquired before 1 April 2023: 1) Long Term	Resident Investor: 20% (Note 1) with indexation benefit Non-Resident Investor: 20% (Note 1) with indexation benefit on listed securities 10% (Note 1) without indexation benefit on unlisted securities	Resident Investor: Nil Non-Resident Investor (Note 1): 20%10% (as applicable)
2) Short Term	Income tax rate applicable to the Unit holders as per their income slabs (Note 1)	Resident Investor: Nil Non-Resident Investor (Note 1): Individual - 30% Non Domestic company/Foreign company - 40%

Particulars	Tax rates to the Investors	TDS by Mutual Fund
A2. Debt Fund/Liquid fund/any other fund (other than Equity oriented mutual fund) (units acquired on/after 1st April 2023) : Short Term /Long Term	Income tax rate applicable to the Unit holders as per their income slabs (Note 1)	Resident Investor: Nil Non Resident Investor (Note 1): Individual - 30% Non Domestic company/Foreign company - 40%
B. Equity Oriented Fund: 1) Long Term	10% (Note 1 and Note 2)	Resident Investor: Nil Non-Resident Investor 10% (Note 1)
2) Short Term	15% (Note 1)	Resident Investor: Nil Non-Resident Investor 15% (Note 1)

Note 1: The above rates should be further increased by applicable surcharge and cess.

Note 2: Aggregate long term capital gains exceeding one lakh rupees in a financial year, arising from the transfer of units of an equity oriented fund, equity shares and units of business trust are chargeable to tax @10%. Benefit of indexation is not available.

Note 3: The tax rates are subject to DTAA benefits available to Non-Residents.

v. Securities Transaction Tax

STT is levied on the value of taxable securities transactions as follows:

Sr. No.	Taxable securities transaction	Rate (per cent)	Payable by
1.	Purchase of an equity share in a company where: (a) the transaction of such purchase is entered into in a recognised stock exchange; and (b) the contract for the purchase of such share or unit is settled by the actual delivery or transfer of such share	0.1	Purchaser
2.	Purchase of a unit of an equity oriented mutual fund, where: (a) the transaction of such purchase is entered into in a recognised stock exchange; and (b) the contract for the purchase of such unit is settled by the actual delivery or transfer of such unit	Nil	Purchaser
3.	Sale of an equity share in a company where: (a) the transaction of such sale is entered into in a recognised stock exchange; and (b) the contract for the sale of such share is settled by the actual delivery or transfer of such share	0.1	Seller
	Sale of an units of an equity oriented mutual fund where: (a) the transaction of such sale is entered into in a recognised stock exchange; and (b) the contract for the sale of such unit is settled by the actual delivery or transfer of such units	0.001	Seller
	Sale of an equity share in a company or a unit of an equity oriented fund, where: (a) the transaction of such sale is entered into in a recognised stock exchange; and (b) the contract for the sale of such share or unit is settled otherwise than by the actual delivery or transfer of such share or unit	0.025	Seller

GST @ 18% will be charged on fees charged to the customers. Also, GST collected from the customers will be paid to the government and reported on GST portal within due dates. Further, in view of individual nature of tax consequences, each customer is advised to consult his or her advisor with respect to availment of input tax credit (ITC) of GST charged to them.

12. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

FATCA – The Hiring Incentives to Restore Employment Act (the “Hire Act”) was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these is that details of US investors holding assets outside the US will be reported by financial institutions to the IRS, as a safeguard against US tax evasion. In this regard, India has executed an Inter-Governmental Agreement (IGA) with the US on 9 July 2015.

CRS – India has joined the Multilateral Competent Authority Agreement (MCAA) on automatic exchange of financial information in Tax Matters, commonly known as CRS. All countries which are signatories to the MCAA are obliged to exchange a wide range of financial information after collecting the same from financial institutions in their jurisdiction.

India local provisions relating to FATCA and CRS has been included in Income Tax Act, 1961 and Income Tax Rules, 1962. It provides that the Indian FIs will provide necessary information to the Indian tax authorities. In accordance with these local provisions read with SEBI Circular nos. CIR/MIRSD/2/2015 dated 26 August 2015 and CIR/MIRSD/3/2015 dated 10 September 2015, it shall be mandatory for all new investors to provide details and declaration pertaining to FATCA and CRS in the application form.

The Portfolio Manager intends to take any measures that may be required to ensure compliance of local provisions relating to FATCA and CRS. In order to comply with its FATCA/CRS obligations, the Company will be required to obtain certain information from its investors so as to ascertain their reportable status under FATCA/CRS. If the investor is a reportable person or does not provide the requisite documentation, the Company may need to report information on these investors to the appropriate tax authority.

Disclaimer: The above is only a summary; the Customer should take proper advice on the above matters through a qualified Chartered Accountant/Tax Practitioner.

13. Accounting Policies

The service envisages Non-Discretionary Portfolio Advisory Service and hence, the portfolio transaction per se will not be reflected in the books of the Portfolio Manager. However, the fee-based income of the Portfolio Manager will be accounted based on the guidelines issued from time to time by Reserve Bank of India/Securities Exchange Board of India/Institute of Chartered Accountants of India.

14. Investor Services

Where the customer has any grievances, he/she/it should promptly notify the same to the Bank in writing giving sufficient details to enable the Bank to take necessary steps. The Bank, on receipt of any such grievances, shall take prompt action to redress the same.

14.1 Name, address and telephone number of the Investor Relation Officer who shall attend to the investor queries and complaints.

Name of the Investor Relations Officer

Sabry Ali

Principal Nodal Officer

The Hongkong and Shanghai Banking Corporation NESCO - IT Park Bldg. 3,

9th Floor, Nesco Complex, Western Express Highway, Goregaon (East) Mumbai – 400 063.

E-mail: pnohsbcbank@hsbc.co.in

You may also contact the Nodal Officer Team between 09:30 AM and 06:00 PM, Monday to Friday on
Contact number:

+91-40-65118015 / +91-22-71728015. Fax number: +91-22-66476011 and +91-22-49146011

Grievance Redressal and dispute settlement mechanism

The Portfolio Manager shall attend to and address any customer query or concern as soon as possible to mutual satisfaction.

Mechanism

The Bank has a robust mechanism to address the customer concerns. For detailed information on the Bank's grievance redressal policy, you may visit the following link:

<http://www.hsbc.co.in/1/2/miscellaneous/grievance-redressal>

As per the terms of Investment Service Agreement any dispute, controversy or claims arising out of, or relating to, agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996. The arbitral tribunal shall comprise of a sole arbitrator appointed by the Bank. The place of arbitration shall be Mumbai and any award whether interim or final, shall be made, and shall be deemed for all purposes between the Parties to be made, in Mumbai. The arbitral procedure shall be conducted in the English language and any award or awards shall be rendered in English. The procedural law of the arbitration shall be Indian law.

14.2 SEBI Scores Platform

SEBI has launched a centralised web based complaints redress systems (SCORES), which enables investors to lodge and follow up their complaints and tracks the status of redressal of such complaints from anywhere. This also enables the Portfolio Manager to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form. However, such complaints would be scanned and uploaded in SCORES for processing.

For your information, Scores can be accessed at: <http://scores.gov.in/>

15. Details of investments in the securities of related parties of the portfolio Manager

We offer non-discretionary portfolio advisory services on direct plan schemes of various mutual funds including HSBC Asset Management (India) Private Limited.

16. Details of the diversification policy of the portfolio manager

We will be developing reference Model Portfolios of Mutual Funds for various risk profiles under Strategic Asset Allocation (SAA). These model portfolios will have 6 Mutual Fund asset classes i.e. Large Cap Funds, Mid & Small Cap Funds (including Thematic Funds), Long Term Fixed Income Funds. Short Term Fixed Income Funds, Gold Funds and Cash Funds (i.e. Liquid Funds and Overnight Funds).

For and on behalf of
The Hongkong and Shanghai Banking Corporation Limited

Name: Sandeep Batra
Designation: Director
Signature:



Name: N Suresh
Designation: Director
Signature:
Date:



Place: Mumbai

[Intentionally left blank]

Annexure I

Related parties

The related parties of the Bank are broadly classified as follows:

a) Parent

The Hongkong and Shanghai Banking Corporation Limited, Hong Kong (HBAP) is the Head office of the Bank and HSBC Holdings plc is the ultimate holding company of the Bank.

b) Branch Offices

Branch offices comprise all branches of The Hongkong and Shanghai Banking Corporation Limited outside India and The Hongkong and Shanghai Banking Corporation Limited, GIFT City branch.

c) Fellow subsidiaries

Fellow subsidiaries comprise companies, which have a common ultimate holding company, HSBC Holdings plc. These are as follows:

HSBC Holdings plc.

HSBC Bank plc and branches

HSBC Bank plc UK ops

HSBC Private Equity Management (Mauritius) Limited (Liaison office)

HSBC Bank Canada

HSBC Bank Malaysia Berhad

HSBC Trinkaus and Burkhardt AG

HSBC Bank Mauritius Limited

HSBC Bank Australia Limited

HSBC France

HSBC Bank (China) Company Limited

HSBC Software Development (Guangdong) Limited

HSBC Bank Oman SAOG

HSBC Bank A.S. Turkey

HSBC Bank Polska S.A.

HSBC Bank (RR) Moscow

HSBC Software Development (Malaysia) Sdn Bhd

HSBC Service Delivery (Czech Republic) S.R.O

HUSI North America

HSBC Bank (Taiwan) Limited

HSBC Bank (Singapore) Limited

HSBC Bank (Vietnam) Limited

HSBC Germany Holdings GmbH

HSBC Global Services (UK) Limited

HSBC Global Services (HK) Limited

HSBC Bank Middle East Limited and branches

HSBC Private Banking Holdings (Suisse) SA

HSBC Bank USA N.A.

HSBC Global Services Limited

HSBC Asset Management (India) Private Limited

HSBC Professional Services (India) Private Limited

HSBC Electronic Data Processing India Private Limited

HSBC Invest Direct (India) Private Limited

HSBC Invest Direct Securities (India) Private Limited

HSBC Securities and Capital Markets (India) Private Limited

HSBC Software Development (India) Private Limited

HSBC Invest Direct Financial Services (India) Limited

HSBC Invest Direct Distribution Services (India) Limited

HSBC Invest Direct Sales & Marketing (India) Limited

Republic Leasing Uruguay SA

HSBC Services Japan Limited

HSBC Service Delivery (Poland) Sp. z o.o

HSBC Group Management Services Limited

HSBC Markets (USA) Inc.

HSBC Electronic Data Processing Malaysia
 HSBC Electronic Data Processing (Philippines), Inc.
 HSBC Electronic Data Processing Lanka (Private) Limited

d) Other Related Parties

Canara HSBC Life Insurance Company Limited
 Saudi British Bank

e) Key management personnel and subsidiaries

Chief Executive Officer, Mr. Hitendra Dave is the CEO of the Bank as at 31 May 2023 is considered the Key Management Personnel of the Bank.

HSBC Agency (India) Private Limited is the only subsidiary of the Bank.

The transactions of the Bank with related parties are detailed below except where there is only one related party (i.e. key management personnel and subsidiary in line with RBI circular DBR.BP.BC No.23/21.04.018/2015-16 dated 1 July 2015):

(₹ '000)

	31 March 2022	Parent 31 March 2021	31 March 2022	31 March 2021
Interest Paid		-	386,901	331,774
Interest Received		-	1,827	131,336
Rendering of Services		-	674,771	505,341
Receiving of Services	1,155,823	1,271,464	9,667,543	14,769,522

(₹ '000)

	31 March 2022	31 March 2021
Interest Paid	1,736	38,749
Interest Received	3,261	11
Rendering of Services	483,128	314,356
Receiving of Services	5,268,578	641,537

Balances with related parties are as follows:

(₹ '000)

Parent	As at 31 March 2022	Maximum during the year 2022	As at 31 March 2021	Maximum during the year 2021
Borrowings	-	-	-	-
Deposit	-	-	-	-
Placement of deposits/other asset	383,250	383,250	-	-
Advances			-	-
Nostro balances			-	-
Other Liabilities			580,218	580,218

(₹ '000)

Branch offices	As at 31 March 2022	Maximum during the year 2022	As at 31 March 2021	Maximum during the year 2021
Borrowings	229,707	33,533,997	-	45,304,873
Deposit/other liability	4,561,328	12,924,591	3,978,263	14,020,284
Placement of deposits/other asset	106,460,295	107,783,964	160,326	2,529,652
Advances	-	-	-	-
Nostro balances	1,478,481	3,104,778	1,225,416	4,601,695
Positive MTMs	5,929,920	15,570,739	13,233,057	28,499,038
Negative MTMs	8,198,904	21,102,831	19,363,216	24,268,613
Derivative notionals	966,385,407	1,576,657,344	1,256,197,183	1,470,188,362
Non Funded Commitments	20,720,970	21,923,871	12,007,884	17,573,154

(₹ '000)

Fellow Subsidiaries and other related parties	As at 31 March 2022	Maximum during the year 2022	As at 31 March 2021	Maximum during the year 2021
Borrowings	6,523,798	55,736,829	2,687,542	74,213,550
Deposit/other liability	34,319,574	91,547,767	27,069,593	46,863,239
Placement of deposits/other asset	2,646,525	2,738,507	19,337	74,802
Advances	-	48,206	-	7,080,000
Nostro balances	2,316,693	19,681,485	2,359,281	18,076,084
Positive MTMs	5,689,807	6,499,701	372,954	637,814
Negative MTMs	8,082,393	9,351,751	314,936	10,785,998

(Rs '000)

Fellow Subsidiaries	As at 31 March 2022	Maximum during the year 2022	As at 31 March 2021	Maximum during the year 2021
Derivative notionals	1,125,896,450	1,216,988,883	50,221,187	100,337,082
Investments	100	100	100	100
Non Funded Commitments	19,110,778	21,369,409	15,969,632	18,393,359

Material related party transactions (Amounts in ₹ 000's)

A related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category. Following are such related party transactions for FY 2021-22. All amounts are Indian Rupees in thousands.

Interest paid:

Payment of interest to HSBC Electronic Data Processing India Private Limited ₹ 237,704 (previous year: ₹ 172,409), HSBC Software Development (India) Private Limited ₹ 102,109 (previous year: ₹ 124,936).

Interest received:

Interest received from HBAP Hong Kong Branch ₹ 3,261 (previous year: ₹ 11), HSBC Bank (China) Company Limited ₹ 858 (previous year: ₹ 868), HSBC Bank plc UK ops ₹ 760 (previous year: Nil).

Rendering of services:

HBAP Hong Kong Branch ₹ 279,031 (previous year: ₹ 300,091), HBAP Singapore Branch ₹ 203,900 (previous year: ₹ 13,890), HUSI North America ₹ 191,422 (previous year: ₹ 157,494), HBME UAE ₹ 172,541 (previous year: ₹ 2,555).

Receiving of services:

Expenses for receiving of services from HBAP Hong Kong Branch ₹ 5,214,641 (previous year: ₹ 588,816), HSBC Group Management Services Limited ₹ 3,331,834 (previous year: ₹ 583,613), HSBC Software Development (India) Private Limited ₹ 1,997,978 (previous year: ₹ 2,050,810), HSBC Electronic Data Processing India Private Limited ₹ 1,952,478 (previous year: ₹ 1,790,892).

Borrowings:

HBAP Hong Kong Branch ₹ 229,707 (previous year: NIL), HUSI North America ₹ 5,618,424 (previous year: ₹ 1,270,604) and HSBC France ₹ 835,391 (previous year: ₹ 1,378,540)

Placement of deposits/other asset:

HBAP Hong Kong Branch ₹ 106,353,347 (previous year: ₹ 147,379), HSBC Bank plc ₹ 2,646,273 (previous year: Nil)

Nostros:

HBAP Japan ₹ 492,567 (previous year: ₹ 41,440), HBAP Hong Kong Branch ₹ 729,602 (previous year: ₹ 922,025), HBAP Singapore ₹ 241,042 (previous year: ₹ 96,561), HSBC Bank Plc ₹ 2,093,775 (previous year: ₹ 1,500,056)

Deposits/other liability:

HBAP Hong Kong ₹ 1,451,857 (previous year: ₹ 2,017,595), HBAP Bangladesh ₹ 501,280 (previous year: ₹ 977,530), HBAP SriLanka ₹ 1,299,520 (previous year: Rs. 644,584), HSBC Electronic Data Processing India Private Limited Rs. 7,012,023 (previous year: ₹ 12,090,534), HSBC Software Development (India) Private Limited ₹ 16,358,984 (previous year: ₹ 13,350,130) and HSBC Securities and Capital Markets (India) Private Limited ₹ 7,267,010 (previous year: ₹ 77,022).

Non Funded Commitments:

HBAP Hong Kong Branch ₹ 15,961,814 (previous year: ₹ 9,962,689) and HSBC France ₹ 3,277,806 (previous year: ₹ 3,855,430)

Derivative Notionals:

HBAP Hong Kong Branch ₹ 955,108,237 (previous year: ₹ 1,230,854,102), HSBC Singapore Branch ₹ 11,257,170 (previous year: ₹ 12,623,170), HSBC Bank plc ₹ 1,115,256,105 (previous year: ₹ 40,737,391) and HSBC Bank USA ₹ 2,000,000 (previous year: ₹ 2,000,000)

Positive MTM:

HBAP Hong Kong Branch ₹ 5,929,651 (previous year: ₹ 13,228,901) and HSBC Bank Plc ₹ 5,658,383 (previous year: ₹ 345,015)

Negative MTM:

HBAP Hong Kong Branch ₹ 7,096,502 (previous year: ₹ 18,434,728), HSBC Singapore Branch ₹ 1,102,389 (previous year: ₹ 869,999). HSBC Bank Plc ₹ 7,845,493 (previous year: ₹ 120,324) and HSBC Bank USA ₹ 236,609 (previous year: ₹ 193,435).

FORM C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020
(Regulation 22)

The Hongkong and Shanghai Banking Corporation Limited
52/60 Mahatma Gandhi Road,
Fort, Mumbai 400001
Telephone No. : (022) 6628 3714
E-mail : gauri.chugh@hsbc.co.in

We confirm that:

- i) The Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time;
- ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding availing Portfolio Advisory Services;
- iii) The Disclosure Document has been duly certified on, 30th Jun, 2023 by M/s B.M. Chatrath & Co. LLP, Chartered Accountants. Having firm registration, No 301011E/300025 situated at 104, Building No. B-69, Nitin Shantinagar CHSL, Sector-1, Shanti Nagar, Mira Road East, Thane-401107. (enclosed is a copy of the chartered accountants' certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision).

Date: 30 June 2023

Sd/-



[Gauri Chugh] - Principal Officer
Place: Mumbai

Name and address of the Principal Officer:
Name: [Gauri Chugh]

The Hongkong and Shanghai Banking Corporation NESCO - IT Park Bldg 3,
9th Floor, Nesco Complex, Western Express Highway, Goregaon (East)
Mumbai – 400 063.

Note: Form C and copy of chartered accountant's certificate to the effect as stated above were submitted to SEBI on 30 June 2023.

CERTIFICATE

We have verified the disclosures made by The Hongkong and Shanghai Banking Corporation Limited ("The Bank") in the disclosure Document of even date for the period ended 31st May 2023 ("The Document") for Investment Advisory services with reference to the relevant records maintained by the bank as also the information and explanation provided to us.

To the best of our knowledge and on the basis of our verification and the information and explanation provided to us, we certify that disclosures made in the document are true. Further, the disclosures made are in our opinion fair and adequate in order for investor to take an informed decision.

For the purpose of identification we have attached the said document with this certificate.

This certificate has been issued pursuant to the request made by the bank for the purpose of submitting the same to SEBI.

Date: 28th June, 2023
Place: Mumbai

For B M Chatrath & Co LLP
(Chartered Accountants)

Durgesh Kumar Singh
Partner
Firm Registration No.- 301011E/E300025
Membership No.- 154844
UDIN- 23154844BGYJIE8858