

Directors' Report

Dear Members,

The Directors of Axis Pension Fund Management Limited ("your company" or "the Company" or Axis PFM") are pleased to present the **First** Directors Report on the business and operations of your Company for the Financial Year ended March 31, 2023 ("Financial Year").

OPERATIONS AND BUSINESS OVERVIEW

Your Company was incorporated on May 17, 2022 as a direct subsidiary of Axis Asset Management Company Limited ("Axis AMC") pursuant to its appointment as a Sponsor of a Pension Fund by the Pension Fund Regulatory and Development Authority of India ("PFRDA"), to manage pension assets under the National Pension System ("NPS"). Axis AMC was appointed as Sponsor pursuant to an application dated January 20, 2021 to the PFRDA, in response to a Request For Proposal by the PFRDA dated December 23, 2020.

Subsequent to incorporation of the Company, an application was made to the PFRDA for grant of Certificate of Registration as a Pension Fund in accordance with the PFRDA (Pension Fund) Regulations, 2015. Your Company was granted the Certificate bearing registration number PFRDA/PF/2022/003 vide a letter dated July 1, 2022. The PFRDA granted a Certificate of Commencement of Business on September 20, 2022, subsequent to an inspection undertaken by them.

Subsequent to grant of Certificate of Commencement of Business, your Company commenced its business operations effective from October 21, 2022. Since commencement of its business operations, your Company has steadily gained total number of subscribers as well as total Assets Under Management ('AUM'). As on the close of financial year, your Company had a total AUM of ₹ 191.33 Crores, with approximately 12,767 subscribers showing faith in your Company to manage their retirement savings under NPS.

As on March 31, 2023, your Company ranks at number 8 amongst all Pension Funds in terms of AUM and Subscriber base, and number 7 in terms of new business for FY 2022-23. In terms of Subscriber addition since our business commencement, i.e. since October 21, 2022, we rank at number 5. Your Company has reached the above numbers despite being the last among the three new entrants to start business.

Out of the total AUM of ₹191.33 Crores, the total asset mix of the is mentioned in the below table:

	In ₹ Crores	
Scheme / Asset Class	Tier-I	Tier-II
Equity	72.10	2.13
Corporate Debt	34.74	0.71
Government Debt	80.61	0.67
Alternative Investments*	0.29	-
Tax Saver Tier-II**	-	0.08

*Available only for Tier-I accounts



**Available only for Government sector subscribers. Investments in the scheme are made across multiple asset classes in accordance with the Investment Guidelines

The performance of each scheme since inception can be summarised in the below table:

Scheme / Asset Class	Tier-I	Tier-II
Equity	-3.83%	-3.72%
Corporate Debt	2.66%	2.63%
Government Debt	3.68%	2.95%
Alternative Investments	2.51%	-
Tax Saver Tier-II	-	2.25%

During FY 2022-23, your Company assisted around 50 corporate entities in successful implementation of Corporate NPS for their employees as one of the key employee benefit schemes. Your Company also engaged with more than 30 Government offices since commencement of business for educating their employees on NPS.

INDUSTRY OVERVIEW AND MARKET OUTLOOK

Industry Overview

During FY 2022-23, more than a million Subscribers joined NPS in Retail and Corporate sector, with the Total Subscriber base under the two crossing 4 million. During the period, 68,055 Government Subscribers opted out of the default investment pattern and migrated to a single Pension Fund Manager.

The AUM under Retail and Corporate sector has grown from ₹ 77,014 Crores in FY 2021-22 to ₹ 110,217 Crores in FY 2022-23 registering a growth of 43%. Overall AUM of the industry including AUM of Central and State Government employees stands at ₹ 898,383 Crores as on March 31, 2023, registering a growth of 26% as compared to the previous year.

Equity: Review and Outlook

During FY 2022-23, the Indian equity market continued to be stable at an overall level. Large cap indices were practically flat for the year (-0.6% for the Nifty 50 and 0.7% for the BSE Sensex) after commencing the year with a sharp fall in the first quarter, an extended bounce for the next 5 months till November and then falling back in the last 4 months of the year to the same level as at the beginning of the year. Largely domestic-focussed sectors such as FMCG, automobiles and banking did well, while sectors such as IT, metals, energy and pharma (sectors influenced to varying extents, on global demand and pricing) underperformed. For an overall flat equity market for the year, this behaviour of sectors therefore was a very fair reflection of the underlying fundamentals affecting their respective markets.

The Nifty 50 fared better than most other emerging market indices for FY 2022-23, and also better than the US market. The reason for the resilience in Indian equities during the year were the flows from domestic investors (approx. ₹ 2.5 lakh crore invested by domestic institutions in FY 2022-23 while FPIs were net sellers of \$ 6.6 billion). The correction of 8% in the Nifty-50 index from its peaks in the months of November – December 2022, coupled with a shifting of allocations by FIIs towards some of the other markets, resulted in a sharp underperformance of India in comparison to some of the other emerging markets in the last quarter of the financial



year. Post the recent correction, the premium to emerging markets has therefore reduced from the earlier excessive levels. India has been witnessing large FII outflows due to its excessive relative premium, these outflows could therefore subside now, and provide the base for an upside (with domestic retail investor inflows continuing to be resilient despite sluggish markets for the past 18 months). While downside appears to be limited from current levels, we may not see a sharp upswing either, in the near-term until there is a stabilisation in global inflation, interest rates and the banking sector in major economies. Key risks in the medium term are a deeper global slowdown or higher commodity prices or a fractured election mandate in 2024.

There are pockets of opportunities in Indian equities, in some of the large-cap as well as mid-cap stocks. The Nifty 50 levels in March 2023 are the same as the levels in September 2021, which is effectively a reasonable consolidation of 18 months. During this period, earnings have risen, and this time-correction has therefore allowed the forward valuations to ease from the elevated levels, as markets roll forward to FY 2024-25 multiples from the FY22-23 multiples being considered in September 2021. Valuations are now at 16xFY24-25 levels, at only a slight premium to the expected 2-year earnings growth CAGR of 15% over FY23-25. Superior earnings growth are likely to be a key factor influencing our equity markets over the next couple of years and any material disappointments on that front would therefore be the major risk factor.

Debt: Review and Outlook

We have moved forward to a phase where both growth appears to be moderating and inflation (especially core inflation) remains sticky in line with global developments. Central banks have moved aggressively over the last 12 months, with measures which have helped bring down the pace of inflation. Despite perceptible declines in inflation expectations, central banks remain wary of second round effects. There could be some moderation in stance though, due to the recent issues in the banking sector in the US and Europe.

Strong co-ordinated policy responses in a year, have opened up interesting opportunities. This has aided real rates in becoming positive in India. We believe that Indian G-Secs (with 10-year yields at around 7.30%) are a compelling buy at current yields. India is likely to be a favoured destination given the relative conservative policy approach, as seen in Covid compared to global peers. As the cycle turns, Indian G-Secs could post good gains, we will keenly and actively align ourselves with the benchmark in order to capitalise on the upside. Incremental yield spikes cannot be ruled out, however we do not see yields rising materially from here given the market's and RBI's macroeconomic outlook. The Indian economy is poised to fare relatively better than most other global economies in calendar 2023 as well, with inflation likely to be under control and interest rates likely to peak earlier in India as compared to US and Europe.

Amidst subdued growth expectations, corporate profitability is going to be key. Corporate spreads over risk free rates (Government securities) have shrunk considerably in the wake of the slump in credit demand (triggered by a deleveraging cycle). We remain cautious in this segment as current spreads do not adequately factor the liquidity and credit risk premium, and a quick, volatile mean reversion cannot be ruled out. We therefore favour PSUs and top quality and highest rated corporates over credit yield pick-up strategies, as a counter to possible spread widening. Our credit universe comprises of corporates who are leading names in respective industries, and which have delivered superior, consistent performance across market cycles.



KEY REGULATORY CHANGES

During the financial year under review, the overall regulatory environment remained stable with respect to Investment Guidelines of the PFRDA. In the month of November 2022, subtle changes to the Investment Guidelines were introduced by the PFRDA which enhanced the minimum fund size criteria for strict compliance with the limits mentioned Guidelines. This was positive for your Company, as the fund sizes were low, and enabled us to wait for the right opportunity to deploy the funds without breaching the Guidelines in the interest of subscribers.

Upon considering the regulatory environment of NPS in general, it continues to evolve thereby providing more choice to subscribers. Starting from the month of February 2023, subscribers have the choice to select a fund manager for one specific asset class, as opposed to single fund manager for all asset classes. This functionality has been implemented by one out of the three Central Recordkeeping Agencies approved by the PFRDA. Certain restrictions have also been imposed by the PFRDA on Corporates from arbitrarily switching fund managers of their employees under the Corporate NPS model.

Under the new exemption less income tax regime for FY 2023-24, investments in NPS will continue to be allowed as deduction for salaried employees subject to an overall limit of ₹ 7.5 Lakhs. The deductions allowed under the old regime can be availed for FY 2023-24 as well. Further, with the raging debates on re-introduction of Old Pension Scheme for Government employees, the Finance Minister has announced formation of a Committee on the subject, and for improvisation of NPS as a product. We believe that this announcement can achieve a long-term solution on the situation.

FINANCIAL PERFORMANCE

The financial performance of the Company as per IND AS is summarised as under:

Particulars	Amount (in ₹ Thousands)
Revenue from Operations (Investment Management Fee)	437
Other Income	35,024
Total Revenue	35,461
Employee Benefit Expenses	74,782
Depreciation	9,058
Other expenses	48,502
Total Expenses	1,32,342
Loss for the year	96,881

DIVIDEND

This being the first year of operations for the Company and the Company yet to turn profitable, the Directors do not recommend any dividend for FY 2022-23.

TRANSFER TO RESERVES

Since your Company has not turned profitable, the Directors do not propose any amount to be transferred to Reserves.



SHARE CAPITAL

The Authorised Share capital of your Company stands at ₹ 100,00,00,000 (One Hundred crores) comprising of 10,00,00,000 (Ten crore) equity shares. As on March 31, 2023, the issued, subscribed and paid-up share capital of your Company was ₹ 80,00,00,000 (Rupees Eighty Crores) comprising of 8,00,00,000 (Eight Crore) equity shares of ₹10 /- each fully paid-up.

The shareholding pattern is as under: -

Name of Shareholder	Percentage of shareholding
Axis Asset Management Company Limited	51.00000
Axis Bank Limited	9.022027
QRG Investments and Holdings Limited	19.99000
MEMG Family Office LLP	19.99000
TOTAL	100.00000

The Company has not issued any bonus shares, sweat equity shares and shares with differential voting rights during FY 2022-23.

HOLDING, SUBSIDIARIES, JOINT VENTURE & ASSOCIATE COMPANIES

Holding Company

Your Company is a direct subsidiary of Axis AMC, and a step-down subsidiary of Axis Bank Limited ("Axis Bank"), thereby Axis Bank Bank becoming the ultimate Holding Company of your Company. The Equity Shares of Axis Bank are listed on the BSE Limited and the National Stock Exchange of India Limited.

Subsidiary Company/Joint Ventures/ Associate Company

Your Company does not have any Subsidiary Company, Associate or Joint Venture Company.

DEMATERIALISATION OF SHARES

As on March 31, 2023, the entire paid-up equity share capital of your Company comprising of 8,00,00,000 Equity Shares is held in dematerialised form.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public falling within the ambit of section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rule, 2014.

PARTICULARS OF LOAN GIVEN, INVESTMENT MADE, GUARANTEES GIVEN OR SECURITY PROVIDED

During FY 2022-23, your Company has not given any loans and guarantees which attract the provisions of Section 186 of the Act. For the particulars of investments made during the year, please refer Note No. 5 of Notes to Accounts.



CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Since the business activities of your Company do not pertain to manufacturing, your Company does not have any disclosures under Rule 8(3)(A) and Rule 8(3)(B) of the Companies (Accounts) Rules, 2014.

FOREIGN EXCHANGE EARNING AND OUTGO

Your Company did not have any Foreign exchange earnings or expenses during the financial year ended on March 31, 2023.

EMPLOYEE STOCK OPTION PLAN

Your Company has neither approved, nor proposes to approve, a scheme of Employee Stock Options. However, certain executives of the Company may be granted Employee Stock Options by Axis Bank Limited, the ultimate holding Company, pursuant to a Scheme approved by its Board and Members.

RISK MANAGEMENT

Pursuant to the PFRDA (Pension Fund) Regulations, 2015, your Company has put in place a robust Risk Management framework with an objective of managing all risks that may impede the company's ability to achieve its business goals and strategic objectives.

The Risk Management function is an independent unit within the organization which is headed by the Chief Risk Officer who directly reports to the Managing Director & Chief Executive Officer. The Risk Management function is responsible for identification, measurement, monitoring and reporting of enterprise-wide risks. Your Company has also constituted a Risk Management Committee to lead risk management initiatives through policies and directions. The Board of Directors through the Risk Management Committee has the overall responsibility for risk management. The Risk Management Committee oversees the overall risk profile of the company, including market and credit risk profile as well as liquidity and operational risk metrics.

The Company has put in place a Risk Management Policy, which lays down the framework for effective risk management and governance. The Policy is reviewed by the Risk Management Committee and the Board on a semi-annual basis. The Company has also put in place a Board- approved Stop Loss Policy, to provide for a safeguard mechanism against capital erosion of subscribers' funds.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties entered into during the financial year were in the ordinary course of business and were on arm's length. The Audit Committee has approved all transactions with related parties during the financial year under review. A list of transactions during the year are disclosed in Note No. 39 of Notes to Accounts forming part of financial statements.



INTERNAL FINANCIAL CONTROL

Your Company has in place internal financial controls which are commensurate with the size and nature of business of your Company.

INTERNAL AUDIT

Your Company has appointed M/s. Suresh Surana & Associates, Chartered Accountants, as Internal Auditors pursuant to the requirement emanating out of the Companies Act, 2013 and the PFRDA (Appointment of Internal Auditors) Guidance Note, 2013. The Internal Auditors have been appointed for a period of three years.

The scope of Internal Audit has been approved by the Audit Committee and the Board of Directors, and is in accordance with the PFRDA (Appointment of Internal Auditors) Guidance Note, 2013. The Internal Auditors submit their report on a quarterly basis, which is placed before the Audit Committee and the Board for its consideration.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) & Section 134 (5) of the Companies Act, 2013, the Directors hereby state that: -

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. such accounting policies have been selected and applied consistently and judgments & estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the loss of the Company for that period;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis; and
5. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**Appointment & Resignation of Directors**

The Company was incorporated on May 17, 2022 with Mr. Amitabh Chaudhary, Mr. Chandresh Nigam and Mr. Prashant Joshi as the first Directors of the Company.

During the year under review, there were following changes to the Board of Directors of the Company:



- Mr. Ullal Ravindra Bhat (DIN 00008425), and Mr. Kedar Desai (DIN 00322581) were appointed as an Additional (Independent) Directors at the Board Meeting held on June 6, 2022;
- Mr. Sumit Shukla was appointed as the Managing Director & Chief Executive Officer for a period of 5 years with effect from July 13, 2022;
- Ms. Usha Sangwan (DIN 02609263) was appointed as an Additional (Independent) Director at the Board Meeting held on July 13, 2022; and
- Mr. Prashant Joshi ceased to be a Director of the Company w.e.f. July 20, 2022.

The appointments of aforementioned Directors were confirmed by the Members of the Company at the Extraordinary General Meeting held on December 26, 2022.

Further, Mr. Chandresh Kumar Nigam has resigned from the Board of Directors of the Company, which will take effect from close of business hours on April 30, 2023.

Retirement by Rotation

Pursuant to Section 152 of the Companies Act, 2013, two-thirds of the Board of Directors of the Company, except for Independent Directors, are liable to retire by rotation at every Annual General Meeting ('AGM'), and one-third of such Directors shall retire at such AGM. Accordingly, Mr. Amitabh Chaudhry, Director, shall retire at the forthcoming AGM, and being eligible, has offered himself of re-appointment.

Necessary resolution for re-appointment of Mr. Amitabh Chaudhry forms part of the Notice of 1st AGM.

Declaration by Independent Directors

Pursuant to Section 149(7) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company has received requisite declarations from all Independent Directors of the Company confirming that they meet the 'Criteria of Independence' as prescribed under Section 149(6) of the Act, and that their names are included in the Online Databank of Independent Directors.

Key Managerial Personnel

In terms of the provisions of section 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has the following Key Managerial Personnel ('KMP') who were appointed during the year under review:

1. Mr. Sumit Shukla was appointed as Chief Executive Officer w.e.f. June 6, 2022, and later designated as Managing Director & Chief Executive Officer effective from July 13, 2022;
2. Mr. Shail Deshpande was appointed as the Compliance Officer & Company Secretary w.e.f. June 6, 2022;
3. Mr. Yogesh Trivedi was appointed as Chief Financial Officer w.e.f. September 19, 2022.

In addition to the Key Managerial Personnel mentioned above, your Company has also appointed Key Personnel in accordance with the PFRDA (Pension Fund) Regulations, 2015, which are mentioned below:



1. Mr. Shyamsunder Bhat, Chief Investment Officer;
2. Mr. Akash Verma, Chief Risk Officer;
3. Mr. N. Gokulakrishnan, Chief Information Security Officer; and
4. Mr. Prakash Kanase, Head- Investment Operations [designated as Operations Manager under PFRDA (Pension Fund) Regulations, 2015]

ANNUAL PERFORMANCE EVALUATION

Pursuant to Section 178 of the Companies Act, 2013, your company has evaluated the performance of its Board, Committees of the Board, the Chairperson and each individual Director.

The performance evaluation of the Board was conducted on various aspects of the Board's functioning such as Governance, Strategic Planning, audit, compliance, identification and management of Risks. The performance evaluation of the Committees was based on criteria such as appropriate composition, clarity in terms of reference, regularity of meetings, quality of discussion/deliberation at its meetings, participation of members etc. The performance evaluation of Directors was carried out on various criteria such as participation at the meetings, interpersonal relationship with other Directors, providing guidance, knowledge and understanding of areas relevant to the operations of the Company.

To enhance objectivity, an external agency was engaged for performance evaluation to ensure smooth execution and provide an eco-system for candid participation of every Board member. The external agency together with the Chairperson of the Nomination & Remuneration Committee curated specific questionnaire for evaluation of various aspects of functioning of the Board, its Committees, and the Directors. Responses of all Directors was sought on the questionnaire, and basis an analysis of their responses, a report was formulated which formed the basis of evaluation.

Outcome of the evaluation

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Nomination and Remuneration policy

The Nomination and Remuneration Committee of the Board has been formed to assist the Board in its oversight of nomination and remuneration, inter alia of the Board members and the staff of the Company. The Nomination and Remuneration Policy has been framed to inter alia achieve the following objectives:

- level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and staff of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.



The Nomination and Remuneration Policy is available on the website of the Company and can be accessed at <https://axispensionfund.com/public-disclosures/policies>.

MEETINGS OF BOARD AND ITS COMMITTEES

Board Meetings

During FY 2022-23, a total of 5 (five) meetings of the Board of Directors were held on June 6, 2022, July 13, 2022, September 6, 2022, October 12, 2022 and January 11, 2023. The status of attendance of Directors at the Board Meetings is as follows:

Sr. No.	Name	Designation	Number of meetings eligible to attend	Number of meetings attended
1.	Ms. Usha Sangwan	Independent Director	4	4
2.	Mr. Kedar Desai	Independent Director	5	5
3.	Mr. Ullal Ravindra Bhat	Independent Director	5	5
4.	Mr. Chandresh Nigam	Non-Executive Director	5	5
5.	Mr. Amitabh Chaudhry	Non-Executive Director	5	5
6.	Mr. Prashant Joshi	Non-Executive Director	2	2
7.	Mr. Sumit Shukla	Managing Director & Chief Executive Officer	4	5*
Total Meetings held during the year				5

*Mr. Sumit Shukla was appointed as Managing Director & Chief Executive Officer on July 13, 2022. The earlier meeting was attended by him in capacity of Chief Executive Officer.

Committees of Board of Directors and Management

In accordance with the applicable provisions of the Companies Act, 2013, the PFRDA (Pension Fund) Regulations, 2015, and to enable better and more focused attention on the affairs of the Company, the Board has constituted certain Committees, namely, Audit Committee, Risk Committee, Nomination and Remuneration Committee and Investment Committee.

Audit Committee

In line with the provisions of Companies Act, 2013, the Board of Directors of your Company have constituted an Audit Committee.

As on March 31, 2023, the Audit Committee consisted of the following members:

- Mr. Ullal Ravindra Bhat, *Chairman*
- Mr. Kedar Desai, *Independent Director*
- Mr. Chandresh Nigam, *Non-Executive Director*

During FY 2022-23, 4 (four) meetings of the Audit Committee were held on June 6, 2022, September 6, 2022, October 12, 2022 and January 11, 2023, which were attended by all Members of the Committee.

Further, there were no instances during FY 2022-23 where recommendation of Audit Committee was not accepted by the Board.



Nomination and Remuneration Committee

The Board of Directors have constituted a Nomination and Remuneration Committee, to comply with the provisions of the Companies Act, 2013 and ensure better standards of Corporate Governance.

As on March 31, 2023, the Nomination & Remuneration Committee consisted of the following members:

- Mr. Kedar Desai, *Chairman*
- Mr. Ullal Ravindra Bhat, *Independent Director*
- Mr. Chandresh Nigam, *Non-Executive Director*

During the financial year, one meeting of the Nomination & Remuneration Committee Meetings was held on January 11, 2023, which was attended by all Members of the Committee.

Risk Management Committee

The Board of Directors has constituted a Risk Management Committee pursuant to the requirement emanating from Regulation 22(9) read with Schedule X of the of PFRDA (Pension Fund) Regulations, 2015.

As on March 31, 2023, the Risk Management Committee consisted of the following members:

- Mr. Ullal Ravindra Bhat, *Independent Director*
- Mr. Sumit Shukla, *Managing Director & Chief Executive Officer*
- Mr. Rohit Harlalka, *Chief Investment Officer (up to January 11, 2023)*
- Mr. Shyamsunder Bhat *Chief Investment Officer (effective from January 12, 2023)*
- Mr. Akash Verma, *Chief Risk Officer*
- Mr. Shail Deshpande, *Compliance Officer & Company Secretary*

During the financial year, two meetings of the Risk Management Committee were held on September 6, 2023 and January 11, 2023, which were attended by all Members of the Committee.

Investment Committee

The Board of Directors has constituted an Investment Committee pursuant to the requirement emanating from Regulation 22(9) read with Schedule X of the of PFRDA (Pension Fund) Regulations, 2015.

As on March 31, 2023, the Investment Committee consisted of the following members:

- Mr. Kedar Desai, *Independent Director*
- Ms. Usha Sangwan, *Independent Director*
- Mr. Sumit Shukla, *Managing Director & Chief Executive Officer*
- Mr. Rohit Harlalka, *Chief Investment Officer (up to January 11, 2023)*
- Mr. Shyamsunder Bhat *Chief Investment Officer (effective from January 12, 2023)*
- Mr. Akash Verma, *Chief Risk Officer*

During the financial year, two meetings of the Investment Committee Meetings were held on September 6, 2023 and January 11, 2023, which was attended by all Members of the Committee.



GENERAL MEETINGS

Since your Company was incorporated on May 17, 2022 and its first financial year ended on March 31, 2023, there was no requirement of holding an Annual General Meeting during the year under review.

An Extraordinary General Meeting of the Members of your Company was held on December 26, 2022 through Video Conferencing / Other Audio Visual Means, wherein the following resolutions were passed:

1. Appointment of Mr. U.R. Bhat as an Independent Director;
2. Appointment of Mr. Kedar Desai as an Independent Director;
3. Appointment of Ms. Usha Sangwan as an Independent Director;
4. Appointment of Mr. Sumit Shukla as a Director; and
5. Appointment of Mr. Sumit Shukla as Managing Director & Chief Executive Officer, and fix his remuneration.

The 1st Annual General Meeting of your Company is proposed to be held on Monday, June 5, 2023 through Video Conferencing / Other Audio Visual Means at 3:00 p.m.

ANNUAL RETURN

Pursuant to provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return in form MGT-7 of the Company for the financial year ended March 31, 2023, is available on the website of the Company and can be accessed at: www.axispensionfund.com

AUDITORS

Statutory Auditors and their Reports and Notes to Finance

In accordance with Section 139 of the Companies Act, 2013, M/s. TR Chadha & Co LLP, Chartered Accountants, were appointed as first Statutory Auditors of your Company by the Board of Directors, who shall hold office till the 1st Annual General Meeting of the Company.

The Statutory Auditors Report for FY 2022-23 does not contain any qualification, reservations or adverse remarks.

Further, there have been no frauds detected or reported by the Statutory Auditors' during the financial year under review.

Since M/s. TR Chadha & Co. LLP, Chartered Accountants, hold the office of Statutory Auditors' till the Annual General Meeting, fresh appointment of Statutory Auditors will be required to be made at the Annual General Meeting. Further, M/s. TR Chadha & Co. LLP have expressed their unwillingness to continue as Statutory Auditor, due to which the Board of Directors propose the appointment of M/s. GPS & Associates, Chartered Accountants, as Statutory Auditors, who shall hold office from the conclusion of 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting.

Necessary resolution for appointment of M/s. GPS & Associates as Statutory Auditors form part of the Notice of the 1st Annual General Meeting.



Secretarial Auditor

Pursuant to the requirements of Section 204(1) of the Companies Act, 2013, read with Rule 9 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company has appointed Mr. Bhaskar Upadhyay of M/s. N.L. Bhatia & Associates, Company Secretary in Practice, to conduct the Secretarial Audit for the financial year under review.

The Secretarial Audit Report in Form MR-3 received from the Secretarial Auditors is attached as Annexure I, which forms part of this Board Report.

The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks.

Cost Records and Auditors

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014, the Company has formulated a vigil mechanism for Directors and Employees to report genuine concern as per the Whistle Blower Policy.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. During the year under review, there were no complaints received with regards to sexual harassment.

SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ("ICSI")

The Company has been in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) for the FY 2022-23.

DISCLOSURES PURSUANT TO SCHEDULE V

Details of remuneration paid by the Company to Mr. Sumit Shukla, Managing Director & Chief Executive Officer during the Financial Year ended March 31, 2023, are given below:

Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (₹)	1,20,69,099
Value of perquisites u/s 17(2) Income-tax Act, 1961 (₹)	1,05,64,231
Variable Pay / Performance Linked Incentive (₹)*	87,00,000
Total	3,13,33,330

*To be paid in FY 2023-24, upon performance evaluation by the Nomination & Remuneration Committee

Notes:

1. Notice period as per the Rules of the Company.
2. There is no separate provision for payment of severance fees.
3. Employee Stock Options, if any, will be granted by Axis Bank Limited, ultimate holding Company

OTHER DISCLOSURES

During the financial year under review, your company has not:

- made any application for restatement of financial statements; or
- made or has been a subject to any application for winding up under the Insolvency and Bankruptcy Code, 2016



Further, there have been no significant or material orders passed by the regulators, courts or tribunals, during the financial year under review which could impact the going concern status of your Company.

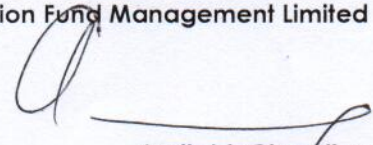
There have been no material changes or events since the end of financial year and the date of this report which can have material impact on the financial statements of the Company.

ACKNOWLEDGMENTS

The Directors place on record their gratitude for all the subscribers, customers and business associates for reposing trust and confidence in the Company. The Directors also take this opportunity to express their appreciation for hard work and dedicated efforts put in by the employees of your Company.

The Directors would also like to place on record their gratitude to the Pension Fund Regulatory and Development Authority, the Ministry of Corporate Affairs, National Pension System Trust, and other Government and regulatory authorities for their continued support, guidance and co-operation.

**For and on behalf of the Board of Directors of
Axis Pension Fund Management Limited**



**Amitabh Chaudhry
Chairman**

Date : April 12, 2023

Place : Mumbai





N L BHATIA & ASSOCIATES
PRACTISING COMPANY SECRETARIES

Tel. : 91-022-2510 0718
Tel. : 91-022-2510 0698
E-mail : navnitlb@hotmail.com
brupadhyay@hotmail.com
Website : www.nlba.in

To,
The Members,
AXIS PENSION FUND MANAGEMENT LIMITED
Axis House 1st Floor C-2 Wadia Centre
Pandurang Budhkar Marg, Worli, Mumbai-400025

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 auditing standards issued by the Institute of Company Secretaries of India (ICSI) and 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 the Secretarial records. We believe that the processes and practices, we have followed are aligned with Auditing Standards issued by the Institute of Company Secretaries of India (ICSI) provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts 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 the 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 the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Date: April 12, 2023
Place: Mumbai

For M/s N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
P/R No.: 700/2020



Bhaskar Upadhyay
Partner

FCS: 8663
CP. No.: 9625
UDIN: F008663E000066787



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AXIS PENSION FUND MANAGEMENT LIMITED
Axis House 1st Floor, C-2 Wadia Centre
Pandurang Budhkar Marg, Worli, Mumbai-400025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Axis Pension Fund Management Limited (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 March 31, 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 March 31, 2023 (period commencing from the date of Incorporation i.e. May 17, 2022 till March 31, 2023) according to the provisions of:

- 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; **to the extent applicable.**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") 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') - **Not Applicable during the Financial Year**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- c. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

1. The Pension Fund Regulatory And Development Authority Act, 2013 and Rules, Regulations and Guidelines made thereunder from time to time;
2. Other Laws as provided under **Annexure A**.

We have also examined that the Company has complied with the Secretarial Standards 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. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. 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.

During the period under review, following changes were affected in the Board and KMP:

- Mr. Shail Sandeep Deshpande appointed as Company Secretary (CS) and Key Managerial Personnel (KMP) of the Company with effect from 06th June, 2022.
- Mr. Yogesh Kewalram Trivedi appointed as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company with effect from 06th June, 2022.
- Mr. Sumit Shukla appointed as Chief Executive Officer and Key Managerial Personnel (KMP) of the Company with effect from 06th June, 2022.
- Mr. Prashant Joshi ceased to be a Director of the Company w.e.f. 20th July, 2022 due to resignation.

Mr. Sumit Shukla appointed as Managing Director and Key Managerial Personnel (KMP) of the Company with effect from 13th July, 2022. His appointment as Managing Director of the

Page 3 of 5



Company was confirmed by the shareholders at the Extra Ordinary General Meeting held on 26th December, 2022.

- Mr. Ullal Ravindra Bhat was appointed as an Additional Director and also an Independent Director w.e.f. 06th June, 2022. His appointment as Independent Director was regularized by the Shareholders at the Extra-Ordinary General Meeting held on 26th December, 2022.
- Mr. Kedar Jagdish Desai was appointed as an Additional Director and also an Independent Director w.e.f. 06th June, 2022. His appointment as Independent Director was regularized by the Shareholders at the Extra-Ordinary General Meeting held on 26th December, 2022.
- Ms. Usha Sangwan was appointed as an Additional Director and also an Independent Director w.e.f. 06th June, 2022. Her appointment as Independent Director was regularized by the Shareholders at the Extra-Ordinary General Meeting held on 26th December, 2022.

Adequate notice is given to all the directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, 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. Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable.

We further report that the Audit Committee and Nomination and Remuneration Committee is duly constituted with proper balance of Independent Directors.

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

We further report that the Company has obtained the Business Commencement approval from the Registrar of Company, Mumbai by filing Form INC 20A on July 4, 2022.

We further report that Pension Fund Regulatory and Development Authority have granted their approval for commence activities as pension fund on September 20, 2022.

Date: April 12, 2023

Place: Mumbai

For M/s N. L. Bhatia & Associates

Practicing Company Secretaries

UIN: P1996MH055800

P/R No.: 700/2020



Bhaskar Upadhyay

Partner

FCS: 8663

CP. No.: 9625

UDIN: F008663E000066787



Annexure A

1. Tax Laws:

- Customs Act, 1962;
- Central Excises Act, 1944;
- Income Tax Act, 1961;
- State Goods and Services Tax Act;
- Central Goods and Service Tax Act;
- Interstate Goods and Service Tax Act.

2. Employee Laws:

- Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972;
- The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975;
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and Scheme framed thereunder;
- The Employees' State Insurance Act 1948;
- The Contract Labour (Regulation & Abolition) Act, 1970 & Rules;
- Payment of Wages Act, 1936;
- Minimum Wages Act, 1948;
- The Maternity Benefit Act, 1961;
- Child Labour (Prohibition & Regulation) Act, 1986;
- The Apprentices Act, 1961 and Apprenticeship Rules, 1991 under the above Rules;
- Industrial Dispute Act, 1947;
- Workmen's Compensation Act, 1923;
- Industrial Employment (Standing Orders) Act, 1946.

3. Other Acts:

- The States Shops and Establishment Act including Maharashtra Shops and Establishments Act, 1948;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013;
- Negotiable Instrument Act, 1881;
- Micro, Small & Medium Enterprises Act, 2006;
- Information Technology Act, 2000;
- The Maharashtra Stamps Act, 1958.



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INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Pension Fund Management Limited Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **Axis Pension Fund Management Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period 17th May 2022 to 31st March 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 31st March 2023, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibility 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 (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.

3. Information Other than the Financial Statements and Auditor's Report thereon

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

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

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

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other 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, the Management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

5. Auditors' Responsibility 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. We also:

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- 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

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.

6. Report on Other Legal and Regulatory Requirements

- a. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we

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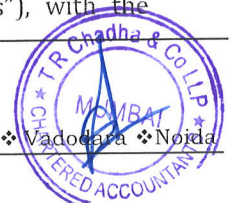
give in the “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- i. 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.
- ii. 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.
- iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- v. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. 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 B”.
- vii. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 of financial statements;
 - b. The company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) 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

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understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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;

(ii) 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, 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

(iii) Based on such audit procedures performed and information and explanation given, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- e. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. 1st April, 2023, reporting in respect of mandatory use of accounting software with requisite audit trail facility is not applicable.
- c. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of the Section 197 of the Act.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn. No: 006711N/N500028

Amit Agarwal

Amit Agarwal

Partner

Membership No. 141031

UDIN: 23141031BHADXH2785



Place: Mumbai

Date: 12th April 2023

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Annexure A to the Independent Auditor's Report of even date to the members of the Axis Pension Fund Management Limited ("the Company") on the financial statements for the year ended 31st March 2023

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

(i) Property, Plant and Equipment and Intangible Assets

- a)
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment;
 - b. The Company has maintained proper records showing full particulars of intangible assets;
- b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) There is no Immovable Property in the books of accounts of the Company. Accordingly, the provision of paragraph 3(i)(c) of the Order is not applicable to the Company.
- d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year.
- e) As disclosed by the management in note 38 of the financial statements, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii) Inventories

- a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) Loans, Investments, Guarantees, Securities and Advances in nature of Loan

During the year, the Company has not made investments in, 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, hence paragraph 3 (iii) of the order is not applicable to the Company.

(iv) Compliance of Sec. 185 & 186

The Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013, therefore, paragraph 3 (iv) of the order is not applicable to the company.



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(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act. Accordingly, the provision of paragraph 3(vi) of the Order is not applicable to the Company.

(vii) Statutory Dues

a) The Company has generally been regular in depositing its undisputed statutory dues including Goods and Service tax, Provident Fund, Employees State insurance, Income-tax, Custom duty, Cess and other relevant material statutory dues, which are accounted in its books of account.

There are no undisputed amounts payable in respect of above statutory dues, which were in arrears as at 31 March 2023 for a period of more than six months from the date they become payable.

b) There are no amounts in respect of income tax, Goods and Service Tax etc. that have not been deposited with the appropriate authorities on account of any dispute.

(viii) As disclosed by the management in note 38 of the financial statements and as verified by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

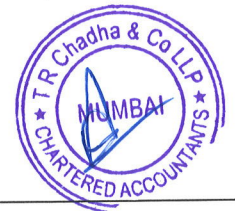
(ix) Application & Repayment of Loans & Borrowings

The Company has not taken any loans or borrowings from any lenders. Accordingly, the provision of paragraph 3(ix) of the Order is not applicable to the Company.

(x) Application of funds raised through Public Offer

(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provision of paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of paragraph 3(x)(b) of the Order is not applicable to the Company.



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Branches at: ♦ Ahmedabad ♦ Bengaluru ♦ Chennai ♦ Gurgaon ♦ Hyderabad ♦ Pune ♦ Tirupati ♦ Vadodara ♦ Noida

T R Chadha & Co LLP

Chartered Accountants

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Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
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(xi) Fraud

- (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the course of our audit nor have we been informed of any such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received during the year by the Company.

(xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting standards.

(xiv) Internal Audit

- (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the internal auditors issued to the Company for the period under audit.

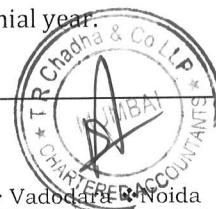
(xv) During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) Registration u/s 45-IA of RBI Act

- (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented to us, the Group does not have any CIC as part of the Group.

(xvii) The Company has incurred cash losses of Rs 1106.62 Lakhs during the current financial year.

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- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under paragraph 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.
- (xx) Company is in its first year of operation accordingly reporting under paragraph (xx)(a) and clause (xx)(b) of the Order is not applicable to the Company.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn. No: 006711N/N500028


Amit Agarwal

Partner

Membership No. 141031

UDIN: 23141031BHADXH2785



Place: Mumbai

Date: 12th April 2023

T R Chadha & Co LLP

Chartered Accountants

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Annexure B to the Independent Auditor's 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")

Opinion

We have audited the internal financial controls with reference to financial statement of Axis Pension Fund Management Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 statement were operating effectively as at 31st March, 2023, based on, the internal control with reference to financial statements 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 (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on, "the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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

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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.

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn. No: 006711N/N500028

Amit Agarwal
Amit Agarwal

Partner

Membership No. 141031

UDIN: 23141031BHADXH2785



Place: Mumbai

Date: 12th April 2023

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AXIS PENSION FUND MANAGEMENT LIMITED

Balance Sheet as at March 31st, 2023

(Rs '000)

Particulars	Note No	As at March 31st, 2023
Assets		
Financial assets		
Cash and cash equivalents	3	2,006
Receivables		
(i) Trade receivables	4	145
(ii) Other receivables		
Investments	5	5,88,155
Other financial assets	6	1,07,874
Total financial assets		6,98,180
Non financial assets		
Current tax assets (Net)	7	593
Deferred tax assets (Net)		-
Property, plant and equipment	8	35,142
Intangible assets	8	6,390
Intangible assets under development		-
Other non-financial assets	9	9,741
Total non financial assets		51,866
Total assets		7,50,046
Liabilities and equity		
Liabilities		
Financial liabilities		
Payables		
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	10	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10	14
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	10	359
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10	2,668
Long term borrowing	11	-
Other financial liabilities	12	13,679
Total financial liability		16,720
Non financial liabilities		
Provisions	13	16,874
Deferred tax liability (Net)		-
Other non-financial liabilities	14	13,333
Total non financial liabilities		30,207
Equity		
Equity share capital	15	8,00,000
Other equity	16	(96,881)
Total equity		7,03,119
Total liabilities and equity		7,50,046

Summary of significant accounting policies - Note 2

The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 41

For T.R.Chadha & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 006711N/N500028

Amit Agarwal

Partner

Membership No. 141031

Mumbai, April 12th, 2023



For and on behalf of Board

For Axis Pension Fund Management Limited

Amitabh Chaudhry
Chairman

DIN: 00531120

Yogesh Trivedi

Chief Financial Officer

Mumbai, April 12th, 2023

Sumit Shukla
Managing Director &
Chief Executive Officer
DIN: 09664032

Shail Deshpande
Compliance &
Company Secretary

AXIS PENSION FUND MANAGEMENT LIMITED

Statement of Profit and Loss for the period from May 17th, 2022 to March 31st, 2023

(Rs '000)

Particulars	Note No	For period May 17th, 2022 to March 31st, 2023
Revenue from operations		
Asset management services	17	437
Net gain on fair value changes	18	29,375
Revenue from operations		29,812
Other income	19	5,649
Total Income		35,461
Expenses		
Finance cost	20	1,172
Employee benefits expenses	21	74,782
Depreciation and amortization expense	8	9,058
Other expenses	22	47,330
Total expenses		1,32,342
Profit/(Loss) before tax		(96,881)
Tax expense		
Current tax		-
Deferred tax		-
Total tax expense		-
Profit/(Loss) after tax		(96,881)
Other comprehensive Income		
Items that will not be reclassified to profit and loss		
- Remeasurement gains/ (losses) of the defined benefit plans		-
- Income tax relating effect		-
Total other comprehensive Income		-
Total comprehensive income		-
Earnings per equity share (Face value Rs 10/-)	32	
- Basic		(1.21)
- Diluted		(1.21)

Summary of significant accounting policies - Note 2

The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 41

For T.R.Chadha & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 006711N/N500028

Amit Agarwal
Partner

Membership No. 141031
Mumbai, April 12th, 2023



For and on behalf of Board

For Axis Pension Fund Management Limited

Amitabh Chaudhry
Chairman

DIN: 00531120

Yogesh Trivedi
Chief Financial Officer

Mumbai, April 12th, 2023

Sumit Shukla
Managing Director &
Chief Executive Officer

DIN: 09664032

Shant Deshpande
Compliance &
Company Secretary



Axis Pension Fund Management Limited

Cash flow statement for the period from May 17th, 2022 to March 31st, 2023

(Rs '000)

Particulars	For period May 17th, 2022 to March 31st, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES	(96,881)
Profit before taxation and extraordinary items	(96,881)
Add/ (Less): Adjustments for	
Depreciation	9,058
Interest on Lease Liability	1,172
Interest on Fixed Deposit	(5,490)
Unrealized gain/ (loss) on Investments	(18,468)
Realized gain/ (Loss) on sale of investments	(10,907)
Operating Profit before changes in assets and liabilities	(1,21,516)
Increase/ (Decrease) in Trade payables	3,041
Increase/ (Decrease) in Other Long-term liabilities	(5,544)
Increase/ (Decrease) in Provisions	16,874
Increase/ (Decrease) in Other current liabilities	13,333
(Increase)/ Decrease in Long-term loans and advances	(300)
(Increase)/ Decrease in Other current assets	(9,741)
(Increase)/ Decrease in Trade receivables	(145)
Cash generated from operations	(1,03,998)
Income-tax paid (net of refund)	(593)
Net cash from operating activities	(1,04,591)
B. CASH FLOW FROM INVESTING ACTIVITIES	(32,540)
Purchase of fixed assets	(11,81,500)
Purchase of Investments	6,22,720
Proceeds from sale of investments	(16,35,000)
Fixed Deposits made with Bank	15,30,000
Redemption of Fixed Deposit	2,917
Interest Received	(6,93,404)
Net cash used in investing activities	(32,540)
C. CASH FLOW FROM FINANCING ACTIVITIES	8,00,000
Share capital - Equity shares	8,00,000
Net cash from/ (used in) financing activities	8,00,000
Net (Decrease)/ Increase in cash and cash equivalents	2,006
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year (refer note 3 for components)	2,006

Summary of significant accounting policies - Note 2

The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 41

For T.R.Chadha & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 006711N/N500028

Amit Agarwal
Partner
Membership No. 141031
Mumbai, April 12th, 2023



For and on behalf of Board

For Axis Pension Fund Management Limited

Amitabh Chaudhry
Chairman

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Chief Financial Officer

Mumbai, April 12th, 2023

Sumit Shukla
Managing Director &
Chief Executive Officer
DIN: 09664032

Shail Deshpande
Compliance &
Company Secretary



AXIS PENSION FUND MANAGEMENT LIMITED

Statement of changes in equity the period ended March 31st, 2023

Equity share capital						(Rs '000)
Particulars	Balance as at 17th May, 2022	Changes in equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the period	Balance at the end of the year	
Equity shares of Rs 10 each (March 31,2021 Rs. 10 each),fully paid up						
As at 31st March 2023	8,00,000	-	8,00,000	-	8,00,000	
Other Equity						(Rs '000)
Particulars		Security Premium	Share option Outstanding account	Retained Earning	Total	
Balance as at 1st April 2022		-	-	-	-	
Profit/(loss) for the year		-	-	(96,881)	(96,881)	
Total comprehensive income		-	-	(96,881)	(96,881)	
Change during the year		-	-	(96,881)	(96,881)	
Balance as at 31st March 2023		-	-	(96,881)	(96,881)	

Summary of significant accounting policies

The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 41

For T.R.Chadha & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 006711N/N500028

Amit Agarwal
Partner

Membership No. 141031
Mumbai, April 12th, 2023



For and on behalf of Board

For Axis Pension Fund Management Limited

Amitabh Chaudhry
Chairman

DIN: 00531120

Yogesh Trivedi

Chief Financial Officer
Mumbai, April 12th, 2023

Sumit Shukla
Managing Director &
Chief Executive Officer

DIN: 09664032

Shail Deshpande

Compliance &
Company Secretary



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

Company overview

Axis Pension Fund Management Limited ('the Company') was incorporated on May 17, 2022 under The Companies Act, 2013. Axis Asset Management Company Limited holds 51% of the total issued and paid-up equity share capital, the balance 19.99% each is held by MEMG Family Office LLP and QRG Investments and Holdings Limited and Axis Bank Limited holds 9.02% of the total issued and paid-up equity share capital. The registered office of the company is located at Axis House, First Floor, C-2 Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai – 400025.

The Company has been Registered as Pension Fund by the Pension Fund Regulatory and Development Authority under the jurisdiction of Ministry of Finance, Government of India to act as a Pension Fund Manager for National Pension Scheme. The Company's principal activity is to act as investment manager to National Pension System as formed by the Government of India through the Pension Fund Regulatory & Development Authority (PFRDA). The investments are held by the Board of Trustees of the National Pension System Trust, established by the PFRDA under the Indian Trusts Act, 1882.

The financial statements were approved for issue in accordance with a resolution of the directors on April 12th, 2023.

1. Basis of preparation

a) Statement of compliance

These financial statements have been prepared and presented on going concern basis and 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.

Details of the Company's accounting policies are included in Note 2.

b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity.

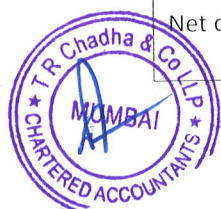
c) Functional and presentation currency

Indian Rupee (Rs.) is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest Lacs (INR 000), except when otherwise indicated.

d) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit Obligations



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

2. Significant accounting policies

2.1. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.2. Financial instruments

Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability which is not recognised at Fair Value Through Profit and Loss, is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. However, Trade Receivables that do not contain a significant financing component are measured at Transaction Price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not recognised as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on de-recognition is recognised in the Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Impairment of Financial Asset

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. ECL is measured at an amount equal to the 12 months ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised, is recognised as an expense in the statement of profit or loss.

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised as profit or loss respectively.



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.3. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any gain or loss arising from disposal of an item of property, plant and equipment is recognised as profit or loss respectively.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on property, plant and equipment is provided on straight-line basis as per the estimated useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except for certain assets. Following is the summary of useful lives of the assets as per management's estimate and as required by the Companies Act, 2013.

Class of assets	Estimated Useful life	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013
Tangible PPE		
Computers and peripherals	3 years*	3 and 6 years
Mobile phones	2 years*	5 years
Office equipment's	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicle	4 years	4 years

*Justification for considering useful life different from part C of schedule II to the Companies Act, 2013:



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

Management has estimated useful life of assets for server & networks and mobile phones as three years and two years respectively after taking into consideration rapid evolution of technology and tendency of the users to opt for advanced features.

Leasehold Improvements are amortized over the primary period of the lease from the date of capitalization as per the Company's policy. The primary period of lease is defined as the term of lease or 3 years whichever is earlier.

Depreciation on assets sold during the year is recognized on a pro-rata basis to the statement of Profit and Loss till the date of sale.

2.4. Other intangible assets

Other intangible assets including computer software are measured at cost. Such other intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in the Statement of Profit and Loss. Computer Software is being amortised over a period of 3 years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if required.

2.5. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of goodwill is the higher of its value in use and its fair value. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to it.

Impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6. Revenue recognition

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognize revenue and at what amount.



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue towards satisfaction of a performance obligation is measured at amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of services rendered is net of variable consideration on account of various discounts and schemes offered by company as part of contract.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Nature of services - Asset Management Services.

The Company manages the investments of the National Pension System as formed by the Government of India through the Pension Fund Regulatory & Development Authority (PFRDA).

Investment management fees are recognised on an accrual basis on daily closing assets under management across respective schemes under pension funds. The investment management fees are presented net of Goods and services Tax in the Statement of Profit & Loss Account.

Management fees from Schemes defined by the PFRDA are recognized on an accrual basis as per the terms defined by PFRDA.

Other income

Other Income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

Interest income on debt investments is recognised on an accrual basis. Amortization of premium or accretion of discount on debt investments is recognised over the period of maturity / holding of the investments on a straight line basis.

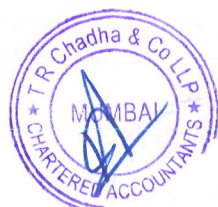
Dividend income is recognised on the "ex-dividend" date in case of listed equity shares and in case of unlisted equity shares when right to receive dividend is established.

Profit or loss on sale of debt investments is calculated as the difference between the net sale proceeds and the weighted average amortised cost as on the date of sale.

Profit or loss on sale of equity shares/mutual fund units is calculated as the difference between the net sale proceeds and the weighted average cost as on the date of sale.

Income from sale of Investments is determined on weighted average basis and recognized on the trade date basis.

In respect of other heads of Income, the company accounts the same on accrual basis.



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

2.7. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

Provident Fund

The company contributes to a recognized Provident Fund scheme, which is a defined contribution scheme. The contributions are accounted for on an accrual basis and charged to statement of Profit and Loss Account.

Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Company determines the net interest expense / income on the net defined benefit liability / asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / asset, taking into account any changes in the net defined benefit liability / asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.8. Accounting for Leases as lessee

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and is discounted using the Company's incremental borrowing rate. Since the Company does not have any debts, the company uses market borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The company applies the short-term lease recognition exemption to its short-term leases of Property plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

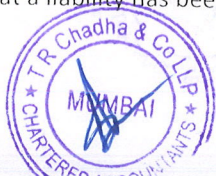
2.9. Provisions and Contingencies

Provisions are recognized when the Company has a present obligation as a result of past events, it is more likely than not that, an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

2.10. Taxes on income

The tax expense comprises current tax and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits, if any

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2023

extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

2.11. Earnings per share (EPS)

The basic earnings per share is computed by dividing profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The diluted earnings per share is computed by dividing profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares, unless they are anti-dilutive.



AXIS PENSION FUND MANAGEMENT LIMITED

(Rs '000)	
As at March 31st, 2023	
3. Cash and cash equivalents	
Particulars	
Balances with bank in - current account	2,006
Cash on hand	-
	2,006

(Rs '000)	
As at March 31st, 2023	
4. Trade receivables	
Particulars	
Unsecured Trade receivable - Considered good	145
Receivable related parties	-
Less: Allowance for impairment loss	-
Total trade receivables	145

Trade Receivable ageing schedule

(Rs '000)						
As at March 31st, 2023						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than Six Months	6 Months-1 year	1-2 year	2-3 year	More than 3 year	
Undisputed Trade Receivables – considered good	145	-	-	-	-	145
	145	-	-	-	-	145

(Rs '000)	
As at March 31st, 2023	
5. Investments	
Particulars	
At fair value through profit & loss	
Mutual fund	5,88,155
Equity share	-
Total gross investments	5,88,155
Investments outside India	-
Investments in India	5,88,155
Total gross investments	5,88,155

(Rs '000)	
As at March 31st, 2023	
6. Other financial assets	
Particulars	
At Amortized Cost	
Fixed Deposit with Bank	1,05,000
Security deposits	300
Accrued Interest on Fixed Deposit	2,574
	1,07,874

(Rs '000)	
As at March 31st, 2023	
7. Current tax assets	
Particulars	
Income tax paid in advance (Net of provisions)	593
	593



AXIS PENSION FUND MANAGEMENT LIMITED

8. Property, plant and equipment and intangible assets

Particulars	Gross Block				Accumulated Depreciation				Net Block		(Rs '000)
	As at May 17th. 2023	Additions	Deductions	As at March 31, 2023	As at May 17th. 2023	For the Period	Deductions	As at March 31, 2023	As at March 31, 2023	As at May 17th. 2023	
Property plant & equipment											
Computers	-	19,011	-	19,011	-	1,836	-	1,836	17,175	-	
Office equipments	-	1,961	-	1,961	-	270	-	270	1,691	-	
Leasehold improvements	-	4,162	-	4,162	-	974	-	974	3,188	-	
Right to use asset	-	-	-	-	-	-	-	-	-	-	
- Property	-	18,050	-	18,050	-	4,962	-	4,962	13,088	-	
a	-	43,184	-	43,184	-	8,042	-	8,042	35,142	-	
Intangible assets											
Software	-	7,406	-	7,406	-	1,016	-	1,016	6,390	-	
b	-	7,406	-	7,406	-	1,016	-	1,016	6,390	-	
Total	-	50,590	-	50,590	-	9,058	-	9,058	41,532	-	
a+b	-	50,590	-	50,590	-	9,058	-	9,058	41,532	-	

* Hypothecated with Axis bank



AXIS PENSION FUND MANAGEMENT LIMITED

9. Other non-financial assets

(Rs '000)

Particulars	As at March 31st, 2023
Capital advances	-
Prepaid expenses (Other)	26
Other Non-financial assets	16
Balances with statutory/ Government tax authorities	9,699
	<u>9,741</u>

(Rs '000)

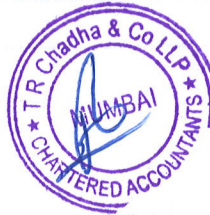
10. Payables

Particulars	As at March 31st, 2023
Trade Payables	
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14
Other Payables	
Total outstanding dues of micro enterprises and small enterprises	359
Total outstanding dues of creditors other than micro enterprises and small enterprises	
- Related party	307
- Others	2,361
	<u>2,668</u>

Trade payable ageing schedule

(Rs '000)

Particulars	Outstanding for following periods from due date of payment				Total	
	As at March 31st, 2023	Less than 1 year	1 -2 year	2 -3 year		more than 3 year
Total outstanding dues of micro enterprises and small enterprises		359	-	-	-	359
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,682	-	-	-	2,682
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-
		<u>3,041</u>	-	-	-	<u>3,041</u>



AXIS PENSION FUND MANAGEMENT LIMITED

11. Long term borrowing

(Rs '000)

Particulars	As at March 31st, 2023
Borrowings	
- Related party	-
- Others	-
	<u>-</u>
	<u>-</u>

12. Other financial liabilities

(Rs '000)

Particulars	As at March 31st, 2023
Lease liability	13,679
	<u>13,679</u>

13. Provision

(Rs '000)

Particulars	As at March 31st, 2023
Provision for employee benefits	
- Provision for gratuity	624
- Provision for bonus	16,250
	<u>16,874</u>

14. Other non-financial liabilities

(Rs '000)

Particulars	As at March 31st, 2023
Statutory dues	3,633
Other dues	9,700
	<u>13,333</u>



AXIS PENSION FUND MANAGEMENT LIMITED

15. Share capital

Particulars	As at March 31st, 2023	
	No. of Shares	(Rs '000)
Authorized		
Equity Shares, Rs 10/- each		
As at March 31st, 2023	10,00,00,000	10,00,000
Issued, subscribed and paid-up		
Equity Shares, Rs 10/- each		
As at March 31st, 2023	8,00,00,000	8,00,000

a. Terms/ rights attached to equity shares

The company has equity shares having par value of Rs 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distributions of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholder.

b. Reconciliation of the shares outstanding at the beginning and end of the year

Equity Shares

Particulars	Outstanding as at 17th May, 2022	Add: Shares issued during the year	Add: Bonus shares issued during the year	Outstanding at the end of the Period
				No of Shares
Equity Shares, Rs 10/- each	8,00,00,000	-	-	8,00,00,000
As at March 31st, 2023				

c. Details of shareholders holding more than 5% of the shares in the company

	Equity Shares, Rs 10/- each	
	As at March 31st, 2023	
	No of Shares	% Held
Axis Asset Management Company Limited	4,08,00,000	51%
QRG Investments and Holdings Limited	1,59,92,000	19.99%
MEMG Family Office LLP	1,59,92,000	19.99%
Axis Bank Limited and its Nominees	72,16,000	9.02%
Total	8,00,00,000	100.00%

d. Details of share held by Promoters

	Equity Shares, Rs 10/- each	
	As at March 31st, 2023	
	No of Shares	% Held
Axis Asset Management Company Limited	4,08,00,000	51%
Axis Bank Limited and its Nominees	72,16,000	9.02%

16. Other Equity

Particulars	(Rs '000)	
	As at March 31st, 2023	
Surplus/(deficit) in statement of profit & loss		
Opening balance		(96,881)
Add: Profit/Loss for the Period		
Closing balance		(96,881)
Total		(96,881)



AXIS PENSION FUND MANAGEMENT LIMITED

17. Management Fees (Rs '000)

Particulars	For period
	May 17th, 2022 to March 31st, 2023
Fund management fees (net of GST)	437
	<u>437</u>

18. Net gain on fair value changes (Rs '000)

Particulars	For period
	May 17th, 2022 to March 31st, 2023
Net gain/(loss) on financial instruments at FVTPL - On Investment	29,375
Total	<u><u>29,375</u></u>
Fair value changes	
Realised	10,907
Unrealised	18,468
Total	<u><u>29,375</u></u>

19. Other Income (Rs '000)

Particulars	For period
	May 17th, 2022 to March 31st, 2023
Profit on sale of fixed assets (net)	-
Interest on Fixed Deposit	5,490
Miscellaneous income	159
	<u>5,649</u>

20. Finance cost (Rs '000)

Particulars	For period
	May 17th, 2022 to March 31st, 2023
Interest on lease liability	1,172
Interest on Other loans	-
	<u>1,172</u>



21. Employee benefits expense (Rs '000)

Particulars	For period May 17th, 2022 to March 31st, 2023
Salaries, wages & allowances	70,078
Contribution to provident funds & other funds	2,344
Staff welfare expenses	2,360
	<u>74,782</u>

22. Other Expenses (Rs '000)

Particulars	For period May 17th, 2022 to March 31st, 2023
Commissions	-
Sales, marketing advertisement and publicity expenses	356
Rent	2,296
Rates and taxes	206
Premises brokerage	-
Establishment expenses	402
Communication expenses	45
Outsourced services cost	585
Legal expenses and professional fees	23,667
Travelling, lodging and conveyance	1,420
Computer and software related cost	3,374
Printing and stationery	279
Membership and subscriptions	750
Entertainment and business promotion	269
Auditors fees and expenses	200
- Other matters	-
Repairs and Maintenance	-
Directors sitting fees	3,300
Foreign exchange loss (net)	-
Provision for GST receivables	9,700
Loss on sale of assets	-
CSR Contribution as per section 135 of Companies Act, 2013 (Refer note 29)	-
Miscellaneous expenses	481
	<u>47,330</u>



23 Contingent liabilities

The company has carried out assesment as per the requirements of Ind AS 12 and accordingly, no contingent liability is recognised.

24 Capital commitments

There is no Capital Commitments Contracts on capital Account has been executed by Company during the period.

25 Payable - Other payables

Sundry creditors include amount payable to Small Scale Industrial Undertakings and Micro and Small Enterprises. Under the Micro Small and Medium Enterprises Development Act 2006 (MSMEDA) which came into force from October 02 2006 certain disclosures are required to be made relating to Micro and Small enterprises. Based on the information and records available with the management the following disclosures are made for the amounts due to the Micro and Small enterprises who have registered with the competent authorities.

(Rs '000)	
Particulars	As at March 31st, 2023
Principal amount remaining unpaid to any supplier as at the year end	359
Interest due thereon	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil

26 Employee benefits

Defined contribution plan

The Company has recognized the following amounts in statement of Profit and Loss Account which are included under Contributions to Provident & other funds:

(Rs '000)	
Particulars	For period May 17th, 2022 to March 31st, 2023
Employer's contribution to provident fund	2,344

Defined benefit plans

The Company has a defined benefit gratuity plan. The companies defined benefit plan is a final salary plan for employees which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act 1972("the Act). Under the Act employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	(Rs '000)		
	As at March 31st, 2023		
	Present value of obligation	Fair value of Plan Asset	Net Amount (asset)/liability
Opening Balance	-	-	-
Current Service cost	624	-	624
Interest on defined benefit obligation / Asset	-	-	-
(Gain)/Loss from change in Financial assumption	-	-	-
(Gain)/Loss from change in experience assumption	-	-	-
Transfer out	-	-	-
Employer contribution	-	-	-
Benefit payments	-	-	-
Return on Plan assets	-	-	-
Closing balance	624	-	624

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

(Rs '000)	
Particulars	As at March 31st, 2023
Present value of plan liability	624
Fair Value of plan assets	-
Net	624



Expenses recognised in Profit and Loss		(Rs '000)
Particulars	For period May 17th, 2022 to March 31st, 2023	
Current Service Cost		624
Interest Cost on net DBO		-
Past Service Cost		-
Total P&L Expenses		624

Expenses to recognised in Other comprehensive Income		(Rs '000)
Particulars	For period May 17th, 2022 to March 31st, 2023	
Actuarial Loss/(Gain) on DBO		-
Actuarial Loss/(Gain)		-
Total Re-measurements (OCI)		-

Net defined benefit liability (asset) reconciliation		(Rs '000)
Particulars	As at March 31st, 2023	
Net defined benefit liability (asset)		-
Defined benefit cost included in P&L		624
Total re-measurements included in OCI		-
Employer contributions		-
Employer direct benefit payments		-
Employer direct settlement payments		-
Net transfer		-
Net defined benefit liability (asset) as of end of period		624

Actuarial assumptions		(Rs '000)
Particulars	As at March 31st, 2023	
Discount rate Current Year		7.35%
Discount rate Previous Year		0.00%
Salary increase rate		11.00%

Sensitivity of liability				(Rs '000)
Particulars	As at March 31st, 2023			
	Discount Rate	Salary Escalation Rate	Attrition Rate	
Defined benefit obligation on increase in 100 bps	572	679	591	
Impact of increase in 100 bps on DBO	-8.29%	8.90%	-5.30%	
Defined benefit obligation on decrease in 100 bps	682	573	659	
Impact of decrease in 100 bps on DBO	9.31%	-8.10%	5.60%	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior period.

Maturity

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

Experted cash flows for following year		(Rs '000)
		As at March 31st, 2023
Expected employer contributions / Addl. Provision Next Year		-
Expected total benefit payments-		
Year 1		2.74
Year 2		2.83
Year 3		2.92
Year 4		3.00
Year 5		120.43
Year 6 to year 10		598.56



AXIS PENSION FUND MANAGEMENT LIMITED
Notes to financial statements for the year ended March 31st, 2023

These plans typically expose the company to actuarial risks such as: Interest rate risk, salary risk, Investment risk, Asset Liability Matching risk, Mortality risk and Concentration risk.

- i) **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset,
- ii) **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such an increase in the salary of the members more than assumed level will increase the plan's liability,
- iii) **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate it will create a plan deficit. Currently for the plan in India it has a relatively balanced mix of investments in government securities and other debt instruments,
- iv) **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules 1962 this generally reduces ALM risk,
- v) **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only plan does not have any longevity risk,
- vi) **Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

27 **Social Security**
 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

28 **Employee stock option scheme (Equity settled)**
 During the year, No employee stock option scheme has been granted to Employee of the company

29 **Corporate Social Responsibility**
 The Rules pertaining to Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility is not Applicable to Company.

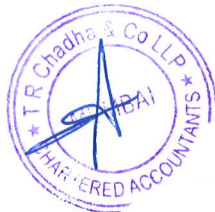
30 **Breakup of Auditors' remuneration** (Rs '000)

Particulars	For period May 17th, 2022 to March 31st, 2023
Audit fees	200
Limited review	-
Other matters	-
Total	200

31 **Segment information**
 The Company is in the business of providing investment management services to National Pension System as formed by the Government of India through the Pension Fund Regulatory & Development Authority (PFRDA). The primary segment is identified as investment management services as all services are in relation to pension fund management, there is no separate segment identified.

32 **Earnings Per Share** (Rs '000)

Particulars	For period May 17th, 2022 to March 31st, 2023
(a) Nominal value of an Equity share (Rs)	10
(b) Net profit available to Equity shareholders (Rs)	96,882
(c) Weighted average number of shares outstanding	8,00,00,000
(d) Basic and Diluted EPS (Rs) = (b)/ (c)	(1.21)



AXIS PENSION FUND MANAGEMENT LIMITED

Notes to financial statements for the year ended March 31st, 2023

33 Income tax expenses

The components of income tax expense for the years ended March 31st 2023 are:

Particulars	(Rs '000)	
	For period May 17th, 2022 to March 31st, 2023	
Income tax expenses		
Current tax on profit for the year		-
Adjustment in respect of current income tax of prior years		-
Total Current tax expenses		-
Deferred tax		-

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

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by Indian corporate tax rate for the years ended March 31st 2023 is as follows:

Particulars	(Rs '000)	
	For period May 17th, 2022 to March 31st, 2023	
Profit before tax		-
Other comprehensive income		-
Tax at corporate tax rate @ 25.168%		-
Non-deductible expenses		
ESOP of parent company		-
Corporate social responsibility expenses		-
One time rate change impact		-
Capital gain tax rate difference		-
Interest payable under income tax		-
Income not subject to tax		-
Others		-
Total Net Non-deductible expenses		-
Income tax expenses at effective rate of 25.168%		-

Deferred tax assets/liabilities

The components of Deferred tax asset /liabilities are as under:

Estimated Deferred Tax Asset of Rs 24,383/- (Rs '000) not recognized in Books of Accounts in absence of convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the company.

34 Intangible Asset Under development

(Rs '000)

Particulars	As at March 31st, 2023
Project in progress	-
Project temporarily suspended	-
Total	-

Ageing schedule

(Rs '000)

Particulars	As at March 31st, 2023
* Less than 1 year	-
* 1-2 years	-
* 2-3 years	-
* More than 3 years	-
Total	-

35 Fair Value Measurement

Financial Instruments by category

(Rs '000)

Particulars	As at March 31st, 2023			
	Carrying Value	Fair Value		Amortized cost
		Fair Value Through P&L	Fair Value Through OCI	
Financial Assets:				
Cash and Cash equivalent	2,006	-	-	2,006
Receivables	145	-	-	145
Investments				
Mutual fund	5,88,155	5,88,155	-	-
Fixed Deposit	-	-	-	-
Equity Instrument	-	-	-	-
Other Financial Assets	1,07,874	-	-	1,07,874
Total Financial Assets	6,98,179	5,88,155	-	1,10,024
Financial Liability:				
Trade and other payable	680	-	-	680
Long term borrowings	-	-	-	-
Other financial Liabilities	13,678	-	-	13,678
Total Financial Liability	14,359	-	-	14,359



AXIS PENSION FUND MANAGEMENT LIMITED

Notes to financial statements for the year ended March 31st, 2023

Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

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:

(Rs '000)

Particulars	Date of valuation	As at March 31st, 2023			
		Level 1	Level 2	Level 3	Total
Financial Assets:					
Investments at FVTPL					
Mutual fund	March 31 2023	5,88,155	-	-	5,88,155
Total Financial Assets		5,88,155	-	-	5,88,155

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to the hierarchy used is as follows :

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Valuation techniques used to determine fair value

Financial Instrument	Valuation technique
Mutual Fund	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed

36 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's

The Company has exposure to the following risks arising from Financial Instruments:

Risk	Exposure arising from
Credit risk	Cash and cash equivalents, trade & other receivables, financial assets
Market Risk- Price	Units of mutual funds.
Liquidity risk	Financial liabilities

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing

Market Risk- Price

The company's exposure to mutual fund price risk arises from investments held by the company and classified in the balance

(Rs '000)

Particulars	As at March 31st, 2023
NAV - Increased by 5%	29,408
NAV - decreased by 5%	(29,408)

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains



AXIS PENSION FUND MANAGEMENT LIMITED

Notes to financial statements for the year ended March 31st, 2023

The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled :

Particulars	As at March 31st, 2023		
	Within 12 Months	After 12 Months	Total
Assets			
Financial Asset			
Cash and cash equivalents	2,006	-	2,006
Receivables			
(i) Trade Receivables	145	-	145
(ii) Other Receivables			
Investments			
Other Financial Asset	2,574	5,88,155	5,88,155
Total Financial Asset	4,724	6,93,455	6,98,179
Non Financial Asset			
Current tax Assets (Net)			
Deferred tax Assets (Net)	593	-	593
Property, Plant and Equipment			
Intangible assets		35,142	35,142
Intangible assets under development		6,389	6,389
Other non-financial assets	41	9,700	9,741
Total Non Financial Asset	634	51,231	51,865
Total Assets	5,359	7,44,686	7,50,044
Liabilities			
Payables	3,041	-	3,041
Long term borrowing			
Other financial liabilities	6,943	6,736	13,678
Total Financial Liability	9,984	6,736	16,719
Non Financial Liabilities			
Provision	16,250	624	16,874
Deferred tax liability (Net)			
Other non-financial liabilities	3,633	9,700	13,333
Total Non Financial Liability	19,883	10,324	30,207
Total Liabilities	29,867	17,060	46,926

37 Lease

Particulars	Amount
Opening	-
Additions	18,050
Accretion of interest	1,172
Payments	(5,544)
As at March 31st 2023	13,678
Lease Liability as on March 31st, 2023	13,678

The Table below provides details regarding the contractual maturity of lease liability on undiscounted basis;

Particulars	As at March 31st, 2023
Payable not later than 1 year	6,944
Payable later than 1 year but not later than 5 year	8,073
Payable later than 5 year	-

Particulars	For period May 17th, 2022 to March 31st, 2023
Depreciation expense of right-of-use assets	4,962
Interest expense on lease liabilities	1,172
Expense relating to short-term leases (included in other expenses)	-
Expense relating to leases of low-value assets (included in other expenses)	-
Variable lease payments (included in other expenses)	-
Total amount recognised in profit or loss	6,135

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at 31 March 2023.



AXIS PENSION FUND MANAGEMENT LIMITED
Notes to financial statements for the year ended March 31, 2023

38 Other statutory information

- The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property
- The company do not have any transactions with companies struck off.
- The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- The company have 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
- The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The company have 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 Group 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,
- The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- company has not been declared as wilful defaulter by any bank or financial institution or other lender

39 Related party transactions

The related parties of the Company are as follows:

- A) Holding Company : Axis Asset Management Company Limited
- B) Ultimate Holding Company : Axis Bank Limited
- C) Key Management Personnel : Mr. Sumit Shukla (MD & CEO)
: Mr. Shail Deshpande (CO & CS)
:Mrs. Usha Sangwan
:Mr. Kedar Desai
:Mr. U.R Bhat
:Mr. Amitabh Chaudhry
:Mr. Chandresh Kumar Nigam
:Mr. Sumit Shukla
- D)Directors

Sr. No.	Name of Related Party	Description of Transactions/Categories	Transaction	Balance
			For period May 17th, 2022 to March 31st, 2023	Outstanding amount carried to Balance Sheet as at March 31st, 23
1	Axis Bank Limited	Interest income on Fixed Deposits	2,631	-
		Accrued Interest income on Fixed Deposits	2,860	2,860
		Rent charged for any premises or services	5,544	-
		Reimbursement of Expenses / Fixed Assets	2,296	-
		Deputation cost of staff	1,396	-
		Deputation cost of staff [KMP]	316	-
		Reimbursement of ESOP & Gratuity	503	-
		Property Tax	206	-
		Current account balance with Bank (Net)	2,006	-
		Bank Charges	0.5	-
		Term Life Insurance	248	-
		Variable Pay	307	307
		New Fixed deposits	7,80,000	-
		Maturity of Fixed deposits	7,80,000	-
		New Fixed deposits	1,05,000	1,05,000
		2	Axis Asset Management Company Limited	Share Capital infusion
Reimbursement of Company formation & setup cost	19,932			-
Reimbursement of Company formation & setup cost	1,433			-
3	Mrs. Usha Sangwan	Share Capital infusion	4,08,000	4,08,000
		Sitting Fees	700	-
4	Mr. Kedar Desai	Sitting Fees	1,300	-
5	Mr. U.R Bhat	Sitting Fees	1,300	-
6	Mr. Sumit Shukla (MD & CEO)	Remuneration to Key Managerial Personnel	22,633	-
7	Mr. Shail Deshpande (CO & CS)	Remuneration to Key Managerial Personnel	1,571	-



40 Disclosure of Ratio's

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

41 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital in a manner which enables it to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management monitors the return on capital & Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Since it is the year of incorporation, the comparatives are not not applicable

For T.R.Chadha & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 006711N/N500028

Amit Agarwal
Partner
Membership No. 141031
Mumbai - April 12th, 2023



For and on behalf of the Board
For Axis Pension Fund Management Limited

Amitabh Chaudhry
Chairman

DIN: 00531120



Yogesh Trivedi
Chief Financial Officer
Mumbai - April 12, 2023



Sumit Shukla
Managing Director &
Chief Executive Officer
DIN: 09664032



Shail Deshpande
Compliance &
Company Secretary