



ANNUAL REPORT

2022-23

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Fourteenth Annual Report** of your Company together with the financial statements, including, Audited Statement of Accounts for the financial year, April 1, 2022 to March 31, 2023. During the year, your Company registered a net profit of **Rs. 429.97 (in Crs)**.

FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year ended on March 31, 2023 is given below:

Rs. In crores

| Particulars | Financial Year Ended 31.03.2023 | Financial Year Ended 31.03.2022 |
|------------------------------------------------|---------------------------------|---------------------------------|
| Gross Income | 1,024.56 | 936.73 |
| Expenses | 446.26 | 404.70 |
| Profit/(Loss) before Tax | 578.30 | 532.03 |
| Provision for Taxation | 148.80 | 129.83 |
| Profit/(Loss) after Tax | 429.50 | 402.20 |
| Other comprehensive Income | 0.47 | (0.54) |
| Total comprehensive income | 429.97 | 401.67 |
| Balance Profit / (Loss) Carried Forward | 429.97 | 401.67 |

DISCLOSURES ABOUT CAPITAL INFUSION DURING THE YEAR (IF ANY), SHAREHOLDING PATTERN, DIVIDEND AND TRANSFER TO RESERVES

As on March 31, 2023, the issued share capital of the Company was Rs. 2,101,111,120/- divided into 210,111,112, equity shares of Rs. 10/- each.

Your Directors are pleased to inform that Axis Bank Limited continues to be the sponsor of Axis Mutual Fund, holding 75% (less one share) of the total issued and paid up equity shares of the Company. Schroder Singapore Holdings Private Limited (SSHPL) continues to hold 25% (plus one share) of the total issued and paid up equity share of the Company.

DIVIDENDS

Your Directors have not recommended payment of any dividend on equity shares, for the year ended March 31, 2023.

AMOUNT CARRIED TO RESERVES

No amount is proposed to be transferred to reserves.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on March 31, 2023, the Company has one Subsidiary Company and no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"):

Axis Pension Fund Management Limited was incorporated on May 17, 2022 for undertaking Pension Fund Management business.

The financial position and performance of Axis Pension Fund Management Limited is mentioned in Annexure AOC1.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no such changes / commitments.

ISSUANCE OF DEBENTURES

The Company did not issue any debenture(s) during the year.

STATE OF COMPANY'S AFFAIRS

MUTUAL FUND ACTIVITY

Axis Asset Management Company Limited ("Axis AMC") weathered a tough financial year and has maintained its industry position in a challenging environment. Despite the circumstances the AMC saw its faith reposed by millions of investors and distributors alike. The strength of investment team, risk focus and product offerings have helped Axis MF retain its ethos and reputation as a reputable asset manager. While the AMC saw its growth moderate due to unusual circumstances and weak performance on the equity book, a strong SIP book and growth across fixed income and alternates has been commendable. The complete range of product offerings offers much needed diversification to the business and allows for multiple levers of growth. The AMC has also carried out a number of new initiatives to strengthen the organisation and prepare for greater scale.

For the industry, the year was characteristic of the way assets classes performed. Correlations across assets saw an unprecedented breakdown as both equity and fixed income delivered flat to negative returns for investors affecting underlying performances of MF schemes. While the industry SIP book continued to remain steady and the bedrock of industry inflows, lump sum flows across both categories were sporadic and category dependant. Mutual funds saw the pace of new fund launches slow in the active product offerings range.

Passives as a business was a key driver in terms of growth in assets. Notably target maturity funds were key 'pull products' given the ease of execution and transparency of offerings. Axis AMC also launched a slew of offerings in this space as we continued to build a ladder of offerings across government securities and AAA assets and continues to build assets across key maturities.

The change in taxation provisions around schemes where domestic equity exposure is less than 35% resulted in huge inflows across fixed income, international offerings and commodity funds as investors attempted to lock-in LTCG benefits before March 31st 2023. We believe, the change could incrementally bring back the limelight on actively managed strategies as parity in taxation across asset structures allows investors to re-look at investment vehicles.

On the alternates side, the AMC continued to expand its offerings, adding commercial real estate, structured credit and special situations capabilities. The offerings further embolden the AMC as a full service offering across asset strategies.

Following is a summary of the major product highlights/ initiatives:

1. Digital offerings - Axis AMC has been strengthening its digital assets to deliver a differentiated experience to both distributors and customers. The company has been investing in B2B and B2C platforms and will be leveraging data and technology to provide personalised engagement and services. Axis AMC continues to have a strong digital business and be a partner of choice for fintechs, as a result of its superior digital offerings and engagement.
2. Passive funds - Axis AMC significantly expanded its passive offerings by launches across both ETFs and Index funds and across debt and equity in the current year. The launches were well received by the market and led to a significant improvement in the passive AuM managed by Axis. Passives will be an important segment in the market, and Axis AMC will continue to take steps to improve its share in this space.
3. Alternatives platform - The AMC continues to drive expansion in the alternatives space. Axis had three successful launches during the year including in residential real estate, commercial real estate and listed equities. The AMC continues to build a robust pipeline of offerings for the coming year.
4. Global Allocations - Axis AMC continued to launch new schemes on the overseas front partnering with Blackrock to launch Axis Nasdaq 100 FoF. The fund takes advantage of the headroom available in the overseas limits. Axis AMC was also able to re-open subscriptions into existing feeders of the Schroders funds, given the drop in market valuations in overseas markets. The AMC today is one amongst a handful of asset managers offering a comprehensive basket of offerings across actively managed and passively managed overseas investment solutions.

Details of products/schemes launched and allotted during the year 2022-2023:

| Sr. No. | Fund Name | Type of Scheme | Allotment Month | First Month AUM (In Rs. Cr.) |
|------------------------------------------------------------|---------------------------------------------------------------|--------------------------|----------------------------------|------------------------------|
| 1 | Axis Silver Fund of Fund | FoF - Domestic | Sep-22 | 24.02 |
| 2 | Axis Silver ETF | ETFs - Others | Sep-22 | 30.84 |
| 3 | Axis NASDAQ 100 Fund of Fund | FoF - Overseas | Oct-22 | 27.89 |
| 4 | Axis Nifty SDL September 2026 Debt Index Fund | Index Funds | Nov-22 | 86.69 |
| 5 | Axis Long Duration Fund | Long Duration Fund | Dec-22 | 36.79 |
| 6 | Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund | Index Funds | Jan-23 | 23.92 |
| 7 | Axis Business Cycles Fund | Thematic | Feb-23 | 2,089.12 |
| 8 | Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund | Index Funds | Feb-23 | 26.11 |
| 9 | Axis Fixed Term Plan - Series 112 (1143 days) | FMP | Feb-23 | 67.16 |
| 10 | Axis Fixed Term Plan - Series 113 (1228 days) | FMP | Mar-23 | 81.26 |
| 11 | Axis S&P BSE Sensex ETF | ETFs - Others | Mar-23 | 7.71 |
| 12 | Axis Fixed Term Plan - Series 114 (83 days) | FMP | Mar-23 | 106.81 |
| Sr. No. | Name of Product/ Scheme | Type of Scheme/ category | Commitments received (In Rs. Cr) | |
| Alternative Investment Fund - Category II & III | | | | |
| 1 | Axis RERA Opportunities Fund - II | CAT II | 165.47 | |
| 2 | Axis Commercial Real Estate Fund | CAT II | 300.46 | |
| 3 | Axis NewGen India Fund | CAT III | 56.72 | |

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no orders passed by Regulators/ Courts which would impact the going concern status of the Company and its future operations.

OTHER MATERIAL EVENTS

The Company continues to maintain high governance standards, including compliance with all legal and regulatory requirements and has a zero-tolerance policy towards any instance of non-compliance.

It is with this ideology that the management of the Company had proactively conducted a suo moto internal investigation through independent external advisors with respect to certain allegations of potential irregularities relating to the conduct of certain personnel of the Company. The findings of the investigation primarily involve potential securities law violations by two (former) employees of the Company during the course of their employment, and certain other instances of non-compliances with policies of the Company.

The Company has taken appropriate action against concerned employees, including that the employment of the above-referred two employees has been terminated. The management of the Company has also submitted details of its findings and disciplinary action taken, to regulatory authorities and is cooperating with them as required from time to time.

Pursuant to the findings of the investigation, the Company has also implemented certain additional enhancements to its systems, controls and processes.

One of these above-referred employees (whose employment was terminated) has challenged his termination and filed a financial claim against the Company in the Bombay High Court and the matter is yet to be heard.

Further, pursuant to its independent investigation, on February 28, 2023, SEBI passed an ad interim ex parte order-cum-show-cause notice ("Interim Order") inter alia against one of these former employees. Neither the Company nor any of its existing officers/ employees have been named as noticees in the Interim Order, nor any directions have been passed against them in the Interim Order.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are approved/ratified by the Audit Committee (Formerly known as Audit and Risk Committee) as well as the Board of the Company.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, Mr. Amitabh Chaudhry (DIN: 00531120) retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

During the year following changes in the composition of board took place:

Based on performance evaluation and recommendation of the NRC and the Board, the Members at the Extra-Ordinary General Meeting of the Company held on March 15, 2023, had approved re-appointment of Ms. Sonia Singh (DIN: 07108778), as an Independent Directors of the Company for a further period of five years, with effect from March 28, 2023 upto March 27, 2028 (both days inclusive).

Mr. Lieven Debruyne (DIN: 08089730), associate director (representative of Schroders) resigned w.e.f. close of business hours of March 29, 2023 and accordingly Mr. Christopher Durack (DIN: 10092760), associate director (representative of Schroders) was appointed on the board w.e.f. March 29, 2023.

Necessary proposal for appointment of Mr. Christopher Durack has been placed for your approval at the ensuing AGM.

All the Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Mr. Chandresh Kumar Nigam, Managing Director and Chief Executive Officer, has not received any commission during the year.

Resolutions in respect of appointment / re- appointment of Directors of the Company whose term of appointment / re-appointment were due to end during the FY 2023-24 were also included in the Notice convening the 14th AGM of the Company, which are as follows:

Members may note that the current term of Mr. Chandresh Nigam (DIN: 00498968) as Managing Director and Chief Executive Officer of the Company would end at the close of business hours on Sunday, April 30, 2023 and he had requested not to be considered for reappointment for another term, in order to pursue other personal and professional interests and accordingly the Board at its meeting held on March 9, 2023 approved appointment of Mr. Gop Kumar Bhaskaran (DIN: 07223999) as an (i) Additional Director and (ii) Managing Director and Chief Executive Officer of the Company for a period of 3 years w.e.f. May 1, 2023.

Member may also note the Board at its meeting held on April 17, 2023 had approved re- appointment of Mr. V. Anantharaman (DIN: 01223191) as an Independent Director of the Company for a further period of 5 years, with effect from August 24, 2023 up to August 23, 2028 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Company.

Members are requested to note that the term of appointment of Mr. Shailendra Bhandari (DIN: 00317334) as an Independent Director of the Company to due to end on July 25, 2023 (Close of business hours) and Mr. Bhandari has requested not to consider for re-appointment for another term due to other professional commitments. Accordingly, Mr. Bhandari would cease to be the director of the Company effective from close of business hours from July 25, 2023.

KEY MANAGERIAL PERSONNEL AS ON 31ST MARCH, 2023

In terms of Companies Act 2013, during the year there were no changes in Key Managerial Personnel of the Company. Key Managerial Personnel of the Company, are as follows, as on March 31, 2023:

Mr. Chandresh Kumar Nigam – Managing Director and Chief Executive Officer

Mr. Gopal Menon– Chief Operating Officer and Chief Financial Officer

Mr. Lalit Taparia – Assistant Vice President– Legal & Compliance and Company Secretary

PUBLIC DEPOSITS

During the financial year ended March 31, 2023, the company has not accepted any deposit from the members or public under the provisions of sec. 73 to 76 of the Companies Act, 2013. The Company has not accepted any funds from the Directors of the Company during the financial year under review.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure under this head is not applicable. Further, other requirements of the Companies (Accounts) Rules, 2014, are also not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Income from Foreign Currency – Rs.32.96 crs (Previous year: Rs. 25.08 crs)
 b) Payments in Foreign Currency - Rs.10.81crs (Previous year: Rs. 11.25 crs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|----------------------------------|--------------|--------------|
| Operational expenses | 9.47 | 9.88 |
| Employee Benefit expenses | 0.35 | 0.04 |
| Marketing Expense | - | 0.63 |
| Computer & Software related cost | 0.44 | 0.30 |
| IT-Related Cost | 0.35 | 0.14 |
| Legal & Professional expenses | 0.19 | 0.26 |
| Total | 10.81 | 11.25 |

BOARD MEETINGS

During the financial year 2022 - 2023, ten meetings of the Board of Directors were held on April 19, 2022, May 4, 2022, May 19, 2022, May 30, 2022, June 28, 2022, July 15, 2022, September 19, 2022, October 14, 2022, January 13, 2023, and March 9, 2023. One meeting of the Independent Directors was conducted on March 24, 2023. The status of attendance of Directors at the Board Meetings is as follows:

| Name | Designation/category | Director's Identification Number (DIN) | Meetings Attended |
|--------------------------------------------|---------------------------------------------|----------------------------------------|-------------------|
| Mr. Amitabh Chaudhry | Associate Director | 00531120 | 10 |
| Mr. Lieven Michael O Debruyne | Associate Director | 08089730 | 7 |
| Mr. Chandresh Kumar Nigam | Managing Director & Chief Executive Officer | 00498968 | 9 |
| Mr. Ravi Narayanan | Associate Director | 08528459 | 8 |
| Mr. Ravindra Babu Garikipati | Independent Director | 00984163 | 10 |
| Mr. Shailendra Bhandari | Independent Director | 00317334 | 10 |
| Ms. Sonia Singh | Independent Director | 07108778 | 10 |
| Mr. V. Anantharaman | Independent Director | 01223191 | 10 |
| Total Meetings held during the year | | | 10 |

COMMITTEES OF THE BOARD OF DIRECTORS AND MANAGEMENT

To enable better and more focused attention on the affairs of the Company, the Board has constituted Committees of the Board, namely, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Allotment Committee. The Board has also constituted some committees of the management of the Company including Executive Risk Management Committee, Investment Review Committee, Valuation Committee etc., to which specific matters have been delegated by the Board of Directors.

AUDIT COMMITTEE OF DIRECTORS

In line with the provisions of the Companies Act, 2013, Audit Committee (formerly known as Audit and Risk Committee) of the Board of Directors of the Company, was constituted by the Board of Directors of your Company. There was no such case where recommendation of Audit Committee was not accepted.

As on March 31, 2023, the Audit Committee consists of the following Directors:

Mr. V. Anantharaman (Chairman)

Mr. Shailendra Bhandari

Mr. Ravindra Babu Garikipati

Mr. Chandresh Kumar Nigam*

Mr. Lieven Michael O Debruyne

*Note: Mr. Nigam ceased to be a member of Audit Committee w.e.f April 19, 2022.

During the Financial Year, five Audit Committee Meetings were held on April 19, 2022, May 19, 2022, July 15, 2022, October 14, 2022 and January 13, 2023. The status of attendance of the committee members at these committee meetings is as follows:

| Name of Members | Designation | No. of Audit and Risk Committee Meetings attended |
|--------------------------------------------|-----------------------------------------------|---------------------------------------------------|
| Mr. V. Anantharaman | Independent Director | 5 |
| Mr. Shailendra Bhandari | Independent Director | 5 |
| Mr. Ravindra Babu Garikipati | Independent Director | 5 |
| Mr. Chandresh Kumar Nigam | Managing Director and Chief Executive Officer | 1* |
| Mr. Lieven Michael O Debruyne | Associate Director | 3 |
| Total Meetings held during the year | | 5 |

*Note: Mr. Nigam ceased to be a member of Audit Committee w.e.f April 19, 2022.

SEBI vide circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/17 dated February 09, 2022 (Circular), had mandated that the Audit Committee of the AMC should interact with the Audit Committee of the Trustees at least once annually. Accordingly, combined meeting of the Members of Audit Committees of the AMC and Trustee was held on March 3, 2023.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

In accordance with the SEBI circular no. SEBI/HO/IMD/IMD-1 DOF2/P/CIR/2021/630 dated September 27, 2021, Risk Management Committee of the Board of Directors of the Company, was constituted by the Board of Directors of your Company at its meeting held on April 19, 2022.

As on March 31, 2023, the Risk Management Committee consists of the following Directors:

Mr. Ravindra Babu Garikipati (Chairman)

Mr. V. Anantharaman

Mr. Chandresh Kumar Nigam

Mr. Lieven Michael O Debruyne

During the Financial Year, 4 Risk Committee Meetings were held on June 27, 2022, July 15, 2022, October 13, 2022 and January 12, 2023. The status of attendance of the committee members at these committee meetings is as follows:

| Name of Members | Designation | No. of Risk Committee Meetings attended |
|--------------------------------------------|-----------------------------------------------|-----------------------------------------|
| Mr. Ravindra Babu Garikipati | Independent Director | 4 |
| Mr. V. Anantharaman | Independent Director | 4 |
| Mr. Chandresh Kumar Nigam | Managing Director and Chief Executive Officer | 4 |
| Mr. Lieven Michael O Debruyne | Associate Director | 1 |
| Total Meetings held during the year | | 4 |

NOMINATION AND REMUNERATION COMMITTEE

A Nomination and Remuneration Committee of the Board of Directors has been constituted, to comply with the provisions of the Companies Act, 2013 and ensure better standards of Corporate Governance.

As on March 31, 2023, the Nomination and Remuneration Committee consisted of the following directors:

Mr. Shailendra Bhandari (Chairman)

Mr. Ravindra Babu Garikipati

Mr. V. Anantharaman

Ms. Sonia Singh

Mr. Lieven Michael O Debruyne

During the Financial Year, 3 meetings of Nomination and Remuneration committee were held on April 11, 2022, June 18, 2022 and March 9, 2023. The status of attendance of the Committee Members at these Committee Meetings is as follows:

| Name of Members | Designation | No. of Nomination and Remuneration Committee attended Meetings |
|--------------------------------------------|----------------------|----------------------------------------------------------------|
| Mr. Shailendra Bhandari | Independent Director | 3 |
| Ms. Sonia Singh | Independent Director | 3 |
| Ravindra Babu Garikipati | Independent Director | 3 |
| Mr. V. Anantharaman | Independent Director | 3 |
| Mr. Lieven Michael O Debruyne | Associate Director | 0 |
| Total Meetings held during the year | | 3 |

SHARE ALLOTMENT COMMITTEE

Share Allotment Committee of the Board of Directors has been constituted to comply with the provisions of the Companies Act, 2013

The Committee approves the allotment of shares, upon receiving the money in respect of any application for shares/ issue of shares, which is approved by the Board of Directors of the Company.

As on March 31, 2023, the Share Allotment Committee consisted of the following directors:

Mr. Chandresh Kumar Nigam

Mr. Ravi Narayanan

Mr. Lieven Michael O Debruyne

During the Financial Year, no meeting of Share Allotment Committee was held.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Axis AMC has constituted a Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014. The composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of amount spent on CSR activities during the year have been disclosed in "Annexure I" to this Report, as mandated under the said Rules.

The Company has also formulated a CSR policy which is available on the website of the Company <https://www.axismf.com/statutory-disclosures>

CSR Committee consists of following Directors:

1. Mrs. Sonia Singh
2. Mr. V. Anantharaman
3. Mr. Chandresh Kumar Nigam

The CSR Committee meeting was held on September 12, 2022. The status of attendance of the Committee Members at the Committee Meetings is as follows:

| Name of Members | Designation | No. of attended Meeting CSR |
|--------------------------------------------|----------------------|-----------------------------|
| Ms. Sonia Singh | Independent Director | 1 |
| Mr. Chandresh Kumar Nigam | Associate Director | 1 |
| Mr. V. Anantharaman | Independent Director | 1 |
| Total Meetings held during the year | | 1 |

INDEPENDENT DIRECTORS

The Board is of the opinion that the Independent Directors of the Company hold high standards of integrity and possess requisite expertise and experienced required to fulfill their duties as Independent Director.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, some of the Independent Directors meet the criteria of exemption to undertake online proficiency self - assessment test and other directors will complete online proficiency self - assessment test conducted by IICA within the time permitted.

RISK MANAGEMENT

Risk Committee of Axis AMC interalia discusses various risk management related issues, at its periodic meetings. This is a committee of the Board of Directors of Axis AMC and is chaired by an Independent Director. The Risk Committee of the Board updates the Board on various important risk issues discussed at their meetings.

Axis AMC also has a Risk Management Committee (RMC) of the management of the company. The meetings of this committee are held on a monthly basis. The meeting of this committee is chaired by the Managing Director & Chief Executive Officer of the AMC. Various function heads of the AMC are the members of this committee. Various risk issues are raised and discussed at the monthly meetings of the committee. The minutes of the RMC are submitted to the Risk Committee of the Board. Comprehensive Risk Management requirements have been laid down by SEBI in the SEBI Regulations. The AMC adheres to these requirements. In accordance with the SEBI requirements, Independent auditors M/s Deloitte Touche Tohmatsu India LLP (one of the leading global auditors), the internal auditors of the Mutual Fund, and the AMC, review the adequacy and compliance of risk management practices established at the AMC, as a part of their periodic audits. The internal auditors report directly to the Risk committee of Axis AMC and Audit Committee of Axis Mutual Fund Trustee Limited.

Various risk related issues pertaining to investment management are also discussed and deliberated at the monthly meetings of the Investment Management Committee chaired by the MD & CEO. Various equity and debt fund managers including the Head Debt and Head Equity form a part of this committee. Important issues discussed in the meeting are also deliberated upon at the meetings of the Board of Directors of the company and Axis Mutual Fund Trustee Company.

BOARD EVALUATION

The performance evaluation of Board, its Committees, Chairperson and Individual Directors was done in accordance with the relevant provisions of the Companies Act, 2013.

The performance evaluation of the Board was conducted on various aspects of the Board's functioning such as strategic planning, succession planning etc. 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 AMC etc. Performance evaluation of Directors including the Board Chairman was also undertaken.

The Nomination and Remuneration committee of the Board carried out an evaluation of the entire board, various committees and the individual directors of the Company excluding the director being evaluated. The Independent Directors too carried out the evaluation of the board as whole, of the Chairman and the Non-Independent Directors of the Company.

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, interalia of the Board members and the staff of the Company. The Nomination and Remuneration policy has been framed to interalia achieve the following objectives:

- that the 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.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Company has engaged an external auditing firm, which carries out periodic audits based on the annual audit plan. The Audit Plan is designed, keeping in mind, various key risks and critical operations of the company. The Audit Plan also considered audit areas suggested by the statutory auditors and was approved by the Audit Committee (formerly known as Audit and Risk Committee).

During the year, the Audit Committee met regularly to review various observations and recommendation for improvement of business processes made by the external auditing firm and monitor the progress in implementation of the various audit recommendations.

SECRETARIAL AUDIT REPORT

Secretarial Audit for the year 2022-23 was undertaken by MC & Associates, Company Secretaries. The audit interalia covers review of compliance with the requirements specified under Companies Act, 2013 and the Rules made under the Act. The Secretarial Audit Report is given as an "Annexure II" to this report.

STATUTORY AUDITORS

The Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Chartered Accountants (firm registration number 301003E/E300005), were appointed for a period of 5 years in the tenth Annual General Meeting held on June 14, 2019 to hold office for a period of 5 years until the conclusion of fifteenth Annual General Meeting, subject to ratification by members of the Company at every annual general meeting. The members of the Company ratified the appointment of the Statutory Auditors in the Thirteenth Annual General Meeting held on July 18, 2022 till the Fourteenth Annual General Meeting.

QUALIFICATIONS IN THE AUDITOR'S REPORT(S)

The Statutory Auditors, in their audit reports, have issued a qualified opinion for matters (relating to the internal investigation) referred in note 41 of the standalone financial statements and note 43 of the consolidated financial statements of the Company. Further, for matters stated in the above

referred notes to accounts, they have stated in their audit reports that the adverse effect, if any, on the functioning of the Company in respect of these matters, is presently not ascertainable.

In this regard, attention is drawn to paragraph above titled "Other Material Events" on the findings of the internal investigation – which primarily involve potential securities law violations by two (former) employees of the Company during the course of their employment, and certain other instances of non-compliances with policies of the Company. The actions taken in relation to the same are as set forth in the said paragraph.

Whilst the Secretarial Auditors do not have any qualification, reservation, any adverse remark or any disclaimer in their audit report, they have noted matters concerning the internal investigation as a part of their report.

No frauds have been reported by the Auditors under section 143(12) of the Companies Act, 2013.

AS PER SUB SECTION 1 OF SECTION 178 POLICIES ON APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178

The Company has framed a policy on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and other matters provided under sub-section (3) of section 178 is available on the website of the Company at <https://www.axismf.com/statutory-disclosures>. Some of the key features of the Policy are as under:

- While selecting Independent Directors, the company shall ensure that there is appropriate balance of skills, experience and knowledge in the Board, so as to enable the Board to discharge its functions and duties effectively
- The independent directors shall be independent of the management of the company • Their appointment shall be approved at the meeting of the shareholders
- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Appropriate other qualification/experience to meet the objectives of the Company.
- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the relevant industry, market conditions and applicable legal provisions
- To assist in bringing independent judgment to bear on the Board's deliberations, especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder, as amended from time to time.

EMPLOYEES

The statement containing particulars of employees as required under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. Any member interested in obtaining a copy of this Annexure may write to the Company Secretary at the Registered Office of the Company.

PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEE GIVEN OR SECURITY PROVIDED U/S 186

Followings are the details of loans and guarantee given, security provided and Investments made during the year:

1. Loans and guarantee given - Nil
2. Security provided - Nil
3. Investment Made: As per attached "Annexure III"

| SR. No | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover Of the company |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------|
| 1 | Investment Management - The Company manages Investment Portfolios of the scheme(s) launched by Axis Mutual Fund, Axis Alternative Investment Fund- Category II & III and Portfolios under Portfolio Management Services | 804.9 | 96.05% |

ANNUAL RETURN

The Annual Return is also available on the website of the Company at <https://www.axismf.com/statutory-disclosures>.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013

Your Company has adequate safeguards to protect women at workplace and is fully committed to uphold and maintain the dignity of every women executive working in the Company. The Status of complaints filed and pending as on date of the report is as under.

Number of complaints pending as on the beginning of the period: Nil Number complaints filed during the financial period: Nil Number of complaints pending as on the end of the period: Nil

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company, at the end of the financial year and of the profit and loss of the company, for that period;
- (c) the directors had taken proper and sufficient care 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable secretarial standards.

ACKNOWLEDGEMENT

The Board of Directors places on record its gratitude to the Securities and Exchange Board of India, Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks, distributor partners for their strong support and guidance. The Board acknowledges the support of the shareholders and also places on record its sincere thanks to its valued clients and customers for their continued patronage.

The Board also expresses its deep sense of appreciation to all employees of the Company for their strong work ethic, excellent performance, professionalism, team work, commitment and initiative which has led to the Company making commendable progress in today's challenging environment.

For and on behalf of the Board of Directors.

Sd/-
Mr. Chandresh Kumar Nigam
Director
DIN: 00498968

Sd/-
Mr. V. Anantharaman
Director
DIN: 01223191

Place: Mumbai

Date : April 17, 2023

ANNEXURE I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2021)

1. A brief outline of the Company's CSR Policy:

The Board of Directors (Board) adopted the CSR Policy (Policy) on January 27, 2016. The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The company aims to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country at large by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. It undertakes to promote initiatives that preserve, restore and enhance environment, ecological balance, and natural resources, and improve sanitation and hygiene. These activities may be carried out by the Company on its own or through agencies/NGOs etc.

The CSR amount was paid to Axis Foundation. Contribution from Axis AMC shall be utilised for payment to Axis AMC for CSR activities for FY 2022-23 to Axis Bank Foundation towards implementation of the Sustainable Livelihoods Program.

Axis Bank Foundation (ABF) was set up as a Public Trust in 2006 to carry out the Corporate Social Responsibility initiatives of Axis Bank and its group entities. The Foundation has committed itself to participate in various socially relevant endeavours on creating sustainable livelihoods by focusing on interventions related to Agricultural Practices and Farm Income, Vocational Training leading to Income and Employment and Women Empowerment.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

2. Composition of the CSR Committee:

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------------|-----------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1 | Ms. Sonia Singh | Chairman, Independent Director | 1 | 1 |
| 2 | Mr. Chandresh Kumar Nigam | Managing Director and Chief Executive Officer | 1 | 1 |
| 3 | Mr. V. Anantharaman | Independent Director | 1 | 1 |

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: -

Composition of the CSR committee shared above and is available on the Company's website on <https://www.axismf.com>

CSR policy – <https://www.axismf.com/statutory-disclosures>

CSR projects – <https://www.axismf.com/statutory-disclosures>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Not applicable in FY 2022-23

5. (a) Average net profit of the Company as per section 135(5): Rs. 3,23,76,72,186
- (b) Two percent of average net profit of the Company as per section 135(5): Rs. 6,47,53,444 (rounded off to Rs. 6,48,00,000)
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year (b)+(c)-(d) : Rs. 6,48,00,000
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : Rs. 6,48,00,000
- (b) Amount spent in Administrative Overheads: Not Applicable
- (c) Amount spent on Impact Assessment, if applicable: Not Applicable
- (d) Total amount spent for the Financial Year (a)+(b)+(c): Rs. 6,48,00,000
- (e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|----------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| Rs. 6,48,00,000 | NA | NA | NA | NA | NA |

(f) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in Rs.) |
|---------|-------------------------------------------------------------------------------------------------------------|-----------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | Rs. 6,48,00,000 |
| (ii) | Total amount spent for the Financial Year | Rs. 6,48,00,000 |
| (iii) | Excess amount spent for the financial year [(ii)- (i)] | Not Applicable |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Not Applicable |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Not Applicable |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------|-----------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------|
| Sr. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Balance amount in unspent CSR Account under sub - section (6) of Section 135 (in Rs) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of Section 135, if any | Amount remaining to be spent in succeeding financial years. (in Rs.) | Deficiencies, if any |
| Not applicable | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of capital assets created, acquired -

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| 1 | 2 | 3 | 4 | 5 | 6 | | |
|----------------|-------------------------------------------------------|--------------------------------------|------------------|----------------------------|------------------------------------------------------------------|------|--------------------|
| Sr. No. | Short particulars of the property or asset(s) | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/authority/beneficiary of the Registered owner. | | |
| | (including complete address and location of property) | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | | |
| | | | | | CSR registration number, if applicable | Name | Registered address |
| Not applicable | | | | | | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

Sd/-
Chandresh Kumar Nigam
Managing Director & CEO
DIN: 00498968

Sd/-
Sonia Singh
Chairperson - CSR Committee

Place: Mumbai

Date: April 17, 2023

ANNEXURE
FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/ associate companies/ joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Rs. in Lacs)

| Sr. No. | Particulars | Axis Pension Fund Management Limited |
|---------|------------------------|--------------------------------------|
| 1. | Share capital | Rs 8,000.00 |
| 2. | Reserves & surplus | Rs -968.82 |
| 3. | Total assets | Rs 7,403.03 |
| 4. | Total Liabilities | Rs 469.27 |
| 5. | Investments | Rs 6,931.55 |
| 6. | Turnover | Rs 4.37 |
| 7. | Profit before taxation | Rs -968.82 |
| 8. | Provision for taxation | Nil |
| 9. | Profit after taxation | Rs -968.82 |
| 10. | Proposed Dividend | Nil |
| 11. | % of shareholding | 51% |

- Names of subsidiaries which are yet to commence operations – Not applicable
- Names of subsidiaries which have been liquidated or sold during the year - Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

| Name of Associates/Joint Ventures | |
|------------------------------------------------------------------------------|----------------|
| 1. Latest audited Balance Sheet Date | NOT APPLICABLE |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | |
| No. | |
| Amount of Investment in Associates/Joint Venture | |
| Extend of Holding % | |
| 3. Description of how there is significant influence | |
| 4. Reason why the associate/joint venture is not consolidated | |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | |
| 6. Profit / Loss for the year | |
| i. Considered in Consolidation | |
| i. Not Considered in Consolidation | |

Sd/
Mr. Chandresh Kumar Nigam
Director
DIN: 00498968

Sd/
Mr. V. Anantharaman
Director
DIN: 01223191

Sd/
Lalit Taparia
Company Secretary

Sd/
Gopal Menon
COO & CFO

Place : Mumbai

Date : April 17, 2023

Details of Investment for the year ended 31 March 2023

| Particulars | Purpose | Opening | | Purchase | | Redemption | | Closing | |
|--------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------|--------------|----------------|------------|--------------|--------------------------|----------------|
| | | Cost As at March 31 2022 | No. of Units | Cost | No. of Units | Cost | No. of Units | Cost As at March 31 2023 | No. of Units |
| MF Utilities India Private Limited | Statutory Requirement | 5,00,000 | 5,00,000.00 | | | | | 5,00,000 | 5,00,000.00 |
| AMC Repo Clearing Ltd | Statutory Requirement | 9,03,06,960 | 90,30,696.00 | | | | | 9,03,06,960 | 90,30,696.00 |
| AXIS PENSION FUND MANAGEMENT LTD.Ltd | Investment in Subsidiary | - | | 40,80,00,000 | 4,08,00,000.00 | | | 40,80,00,000 | 4,08,00,000.00 |
| Axis Credit Risk Fund-Direct - Growth | Seed Capital basis SEBI Regulations | 50,00,000 | 5,00,000.00 | | | | | 50,00,000 | 5,00,000.00 |
| Axis Arbitrage Fund - Direct - Growth | | 50,00,000 | 5,00,000.00 | 97,67,000 | 5,99,134.74 | | | 1,47,67,000 | 10,99,134.74 |
| Axis Focused 25 Fund - Direct - Growth | | 50,00,000 | 2,86,861.73 | 25,60,25,000 | 54,46,200.99 | | | 26,10,25,000 | 57,33,062.73 |
| Axis Banking & PSU Debt Fund - Direct - Growth | | 50,00,000 | 3,874.99 | 8,17,85,000 | 37,156.47 | | | 8,67,85,000 | 41,031.46 |
| Axis Liquid Fund - Direct Growth | | 50,00,000 | 3,201.59 | 13,19,22,000 | 55,646.35 | | | 13,69,22,000 | 58,847.94 |
| Axis Gift Fund - Direct Plan - Growth | | 35,00,000 | 2,77,705.05 | | | | | 35,00,000 | 2,77,705.05 |
| Axis Dynamic Bond Fund - Direct Plan - Growth | | 50,00,000 | 3,40,217.06 | 93,60,000 | 3,62,342.80 | | | 1,43,60,000 | 7,02,559.86 |
| Axis Bluechip Fund - Direct Plan - Growth | | 50,00,000 | 2,60,145.68 | 47,03,86,000 | 97,75,266.28 | | | 47,53,86,000 | 1,00,35,411.97 |
| Axis Gold Fund - Direct Plan - Growth | | 50,00,000 | 5,17,512.63 | | | | | 50,00,000 | 5,17,512.63 |
| Axis Strategic Bond Fund - Direct Plan - Growth | | 50,00,000 | 3,67,555.17 | 71,87,000 | 2,99,778.70 | | | 1,21,87,000 | 6,67,333.87 |
| Axis Regular Saver Fund - Direct Plan - Growth | | 50,00,000 | 3,21,320.24 | | | | | 50,00,000 | 3,21,320.24 |
| Axis Mid Cap Fund - Direct Growth | | 50,00,000 | 1,97,083.17 | 23,58,90,000 | 31,87,467.95 | | | 24,08,90,000 | 33,84,551.12 |
| Axis Short Term Fund - Direct Plan - Growth | | 50,00,000 | 3,23,055.85 | 7,90,10,000 | 29,62,123.33 | | | 8,40,10,000 | 32,85,179.18 |
| Axis Treasury Advantage Fund - Direct Growth | | 50,00,000 | 3,170.06 | 3,03,60,000 | 11,694.87 | | | 3,53,60,000 | 14,864.93 |
| Axis Triple Advantage Fund - Direct Growth | | 50,00,000 | 3,23,047.50 | 1,28,43,000 | 3,92,972.26 | | | 1,78,43,000 | 7,16,019.76 |
| Axis Long Term Equity Fund - Direct Growth | | 50,00,000 | 1,61,830.10 | 43,40,65,000 | 58,38,903.92 | | | 43,90,65,000 | 60,00,734.02 |
| Axis Equity Saver Fund- Direct Growth | | 50,00,000 | 5,00,000.00 | 23,52,000 | 1,31,910.58 | | | 73,52,000 | 6,31,910.58 |
| Axis Children Gift Fund- Direct Growth | | 50,00,000 | 5,00,000.00 | | | | | 50,00,000 | 5,00,000.00 |
| Axis Corporate Debt Opportunities Fund - Direct Growth | | 50,00,000 | 5,00,000.00 | 2,46,80,000 | 17,32,317.34 | | | 2,96,80,000 | 22,32,317.34 |
| Axis Dynamic Equity Fund - Direct Plan - Growth (Balance advantage fund) | | 50,00,000 | 5,00,000.00 | 2,28,47,000 | 15,15,787.11 | | | 2,78,47,000 | 20,15,787.11 |
| Axis Flexi Cap Fund - Direct Growth | | 50,00,000 | 5,00,000.00 | 13,66,12,000 | 71,90,767.00 | | | 14,16,12,000 | 76,90,767.00 |
| Axis Equity Hybrid Fund - Direct Growth | | 50,00,000 | 5,00,000.00 | 1,75,36,000 | 11,10,399.56 | | | 2,25,36,000 | 16,10,399.56 |
| Axis Ultra Short Term Fund - Direct Growth | | 50,00,000 | 5,00,000.00 | 3,78,80,000 | 30,23,305.25 | | | 4,28,80,000 | 35,23,305.25 |
| Axis Growth Opportunity Fund - Direct Growth | | 50,00,000 | 5,00,000.00 | 9,93,13,000 | 47,36,382.59 | | | 10,43,13,000 | 52,36,382.59 |
| Axis Small Cap Fund Direct Growth | | 50,00,000 | 1,82,949.14 | 12,54,89,000 | 18,43,622.78 | | | 13,04,89,000 | 20,26,571.92 |
| Axis Overnight Fund Direct Growth | | 50,00,000 | 5,000.00 | | | | | 50,00,000 | 5,000.00 |
| Axis Money Market Fund Direct Growth | | 50,00,000 | 5,000.00 | 2,81,74,000 | 24,331.02 | | | 3,31,74,000 | 29,331.02 |
| Axis Nifty 100 Index Fund Direct Growth | | 50,00,000 | 5,00,000.00 | | | | | 50,00,000 | 5,00,000.00 |
| Axis Retirement Saving Fund-Aggressive Direct Growth | | 50,00,000 | 5,00,000.00 | 21,78,000 | 1,64,962.61 | | | 71,78,000 | 6,64,962.61 |

Details of Investment for the year ended 31 March 2023 (Contd.)

| Particulars | Purpose | Opening | | Purchase | | Redemption | | Closing | |
|-----------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------|--------------|--------------|------------|--------------|--------------------------|--------------|
| | | Cost As at March 31 2022 | No. of Units | Cost | No. of Units | Cost | No. of Units | Cost As at March 31 2023 | No. of Units |
| Axis Retirement Saving Fund-Conservative Direct Growth | Seed Capital basis SEBI Regulations | 50,00,000 | 5,00,000.00 | | | | | 50,00,000 | 5,00,000.00 |
| Axis Retirement Saving Fund-Dynamic Direct Growth | | 50,00,000 | 5,00,000.00 | | | | | 50,00,000 | 5,00,000.00 |
| Axis ESG Equity Fund Direct Growth | | 50,00,000 | 5,00,000.00 | 1,76,32,000 | 11,43,502.70 | | | 2,26,32,000 | 16,43,502.70 |
| Axis All Seasons Bond Fund Direct Growth | | 50,00,000 | 5,00,000.00 | | | | | 50,00,000 | 5,00,000.00 |
| Axis Global Equity Alpha Fund Of Fund | | 50,00,000 | 4,99,975.00 | 74,85,000 | 5,68,442.52 | | | 1,24,85,000 | 10,68,417.52 |
| Axis Special Situations Fund | | 50,00,000 | 4,99,975.00 | 2,26,10,000 | 18,27,717.83 | | | 2,76,10,000 | 23,27,692.83 |
| Axis Greater China Fund | | 32,00,000 | 3,19,984.00 | | | | | 32,00,000 | 3,19,984.00 |
| Axis Global Innovation FoF | | 50,01,000 | 5,00,075.00 | 1,07,30,000 | 11,27,044.49 | | | 1,57,31,000 | 16,27,119.48 |
| AXIS QUANT FUND | | 50,01,000 | 5,00,075.00 | 1,49,42,000 | 13,88,018.34 | | | 1,99,43,000 | 18,88,093.33 |
| AXIS FLOATER FUND | | 50,01,000 | 5,000.75 | 59,90,000 | 5,810.95 | | | 1,09,91,000 | 10,811.70 |
| Axis Value Fund Direct Growth | | 50,01,000 | 5,00,075.00 | | | | | 50,01,000 | 5,00,075.00 |
| AXIS AAA BOND PLUS SDL ETF - 2026 MATURITY FOF | | 26,00,000 | 2,59,987.00 | | | | | 26,00,000 | 2,59,987.00 |
| AXIS NIFTY 50 INDEX FUND | | 50,01,000 | 5,00,075.00 | | | | | 50,01,000 | 5,00,075.00 |
| AXIS MULTICAP FUND | | 50,01,000 | 5,00,075.00 | 6,62,90,000 | 69,65,256.51 | | | 7,12,91,000 | 74,65,331.51 |
| AXIS DEBT INDEX FUND - 2025 CPSE PLUS SDL | | 50,01,000 | 5,00,075.00 | | | | | 50,01,000 | 5,00,075.00 |
| AXIS NIFTY NEXT 50 INDEX FUND | | 50,01,000 | 5,00,075.00 | | | | | 50,01,000 | 5,00,075.00 |
| AXIS EQUITY ETF FOF | | 27,00,000 | 2,69,986.50 | | | | | 27,00,000 | 2,69,986.50 |
| Axis CRISIL SDL 2027 Debt Index Fund | | 50,01,000 | 5,00,075.00 | | | | | 50,01,000 | 5,00,075.00 |
| AXIS NIFTY SMALL CAP 50 INDEX FUND | | 27,00,000 | 2,69,986.50 | | | | | 27,00,000 | 2,69,986.50 |
| AXIS NIFTY MIDCAP 50 INDEX FUND | | 23,00,000 | 2,29,988.50 | | | | | 23,00,000 | 2,29,988.50 |
| Axis NASDAQ 100 Fund of Fund Direct Growth | - | - | 3,91,000 | 39,098.05 | | | 3,91,000 | 39,098.05 | |
| AXIS LONG DURATION FUND | - | - | 2,82,000 | 281.99 | | | 2,82,000 | 281.99 | |
| Axis Business Cycles Fund Direct Growth | - | - | 2,72,13,600 | 27,21,223.94 | | | 2,72,13,600 | 27,21,223.94 | |
| Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund Direct Growth | - | - | 2,00,10,000 | 20,00,899.96 | | | 2,00,10,000 | 20,00,899.96 | |
| Gold Exchange Traded Fund | 51,56,794 | 2,00,000.00 | | | | | 51,56,794 | 2,00,000.00 | |
| Axis Nifty ETF - Direct Growth | 22,02,047 | 23,150.00 | | | | | 22,02,047 | 23,150.00 | |
| Axis Banking ETF Fund | 82,57,452 | 30,001.00 | | | | | 82,57,452 | 30,001.00 | |
| Axis Technology ETF Fund | 50,00,765 | 19,419.00 | | | | | 50,00,765 | 19,419.00 | |
| AXIS AAA BOND PLUS SDL ETF - 2026 MATURITY FOF | 50,10,000 | 4,97,003.00 | | | | | 50,10,000 | 4,97,003.00 | |
| Axis Healthcare ETF | 30,00,000 | 35,817.00 | | | | | 30,00,000 | 35,817.00 | |
| AXIS CONSUMPTION ETF | 22,99,949 | 31,821.00 | | | | | 22,99,949 | 31,821.00 | |

Details of Investment for the year ended 31 March 2023 (Contd.)

| Particulars | Purpose | Opening | | Purchase | | Redemption | | Closing | |
|-------------------------------------------------------------|-------------------------------------|--------------------------|-----------------|----------------|----------------|-----------------|---------------|--------------------------|-----------------|
| | | Cost As at March 31 2022 | No. of Units | Cost | No. of Units | Cost | No. of Units | Cost As at March 31 2023 | No. of Units |
| Axis Liquid Fund - Direct Plan - Growth option | Treasury | 17,69,13,246 | 74,944.41 | 6,20,14,48,000 | 24,64,601.90 | -3,14,44,13,194 | -12,16,512.18 | 3,23,39,48,052 | 13,23,034.13 |
| Axis Treasury Advantage Fund - Direct Growth | Investment | 3,00,00,00,000 | 12,23,097.60 | | | -93,63,51,053 | -3,81,749.57 | 2,06,36,48,947 | 8,41,348.02 |
| Axis Corporate Debt Fund - Direct Growth | | 3,47,00,00,000 | 25,08,51,193.86 | | | | | 3,47,00,00,000 | 25,08,51,193.86 |
| Axis Money Market Fund Direct Growth | | 1,12,65,27,238 | 10,29,868.69 | | | | | | |
| Axis Ultra Short Term Fund -Direct Growth | | - | - | 30,00,00,000 | 2,28,77,788.43 | | | 30,00,00,000 | 2,28,77,788.43 |
| Axis Floater fund | | 91,00,00,000 | 8,95,401.23 | 5,88,15,00,000 | 23,36,702.56 | -6,16,53,23,936 | -26,15,973.22 | 62,61,76,064 | 6,16,130.57 |
| Axis new opportunities Alternative Investment Fund Series 1 | Seed Capital basis SEBI Regulations | 2,20,41,408 | 295.55 | | | -1,52,16,947 | -147.14 | 68,24,461 | 148.41 |
| Axis RERA opportunities Fund Series 1 | | 4,03,87,392 | 394.77 | | | -2,11,60,358 | -184.13 | 1,92,27,034 | 210.64 |
| Axis Equity Opportunities AIF- I | | 10,00,00,000 | 994.84 | | | | | 10,00,00,000 | 994.84 |
| Axis Active Equity Growth Fund-Series 1 | | 10,00,00,000 | 1,000.00 | | | | | 10,00,00,000 | 1,000.00 |
| AXIS PRIME FACTOR AIF - SERIES I | | 5,83,05,000 | 481.70 | 3,13,95,000 | 298.07 | | | 8,97,00,000 | 779.77 |
| AXIS STRUCTURED CREDIT AIF-I | | 2,49,31,175 | 239.88 | 55,71,399 | 78.52 | | | 3,05,02,574 | 300.06 |
| AXIS GROWTH AVENUES AIF - I | | 3,25,00,000 | 323.78 | | | | | 3,25,00,000 | 323.78 |
| AXIS NEWGEN INDIA FUND - I | | - | - | 56,72,000 | 56.51 | | | 56,72,000 | 56.51 |
| AIF SERIES-RERA SER-II | | - | - | 5,28,40,000 | 508.71 | | | 5,28,40,000 | 508.71 |
| COMMERCIAL REAL ESTATE FUND | | - | - | 8,74,00,000 | 871.23 | | | 8,74,00,000 | 871.23 |

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2022-23

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

To,
The Members,

AXIS ASSET MANAGEMENT COMPANY LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AXIS ASSET MANAGEMENT COMPANY 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 my opinion thereon.

Based on our verification of the AXIS ASSET MANAGEMENT COMPANY LIMITED 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 on test check basis 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 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;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015/2019;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - **Not Applicable**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable**
- vi. Other laws as may be applicable specifically to the company are annexed as **Annexure I**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India vide its notification no. 1 (SS) dated April 23, 2015, effective from July 1, 2015 and revised from time to time.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange with respect to units of Axis Mutual Fund listed with exchange, if applicable; -

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 in compliance with the applicable provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

There were no instances where any Board Member dissented to the agenda matters that were presented. All matters were approved unanimously.

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. The management of the Company had proactively conducted a suo moto internal investigation through independent external advisors with respect to certain allegations of potential irregularities relating to the conduct of certain personnel of the Company. The findings of the investigation involved inter alia potential securities law violations by two (former) employees of the Company during the course of their employment for periods prior to the financial year ended on March 31, 2023.

The Company has taken appropriate action against concerned employees, including that the employment of the above-referred two employees has been terminated. The management of the Company has also submitted details of its findings and disciplinary action taken, to regulatory authorities and is cooperating with them as required from time to time.

Pursuant to the findings of the investigation, the Company has also implemented certain additional enhancements to its systems, controls and processes.

Further, pursuant to its independent investigation, on February 28, 2023, SEBI passed an ad interim ex parte order-cum-show-cause notice ("Interim Order") inter alia against one of these former employees. Neither the Company nor any of its existing officers/ employees have been named as noticees in the Interim Order, nor any directions have been passed against them in the Interim Order.

We further report that during the audit period the company has specific events / actions which is attached to the report as **Annexure II**.

For **MC & Associates**

Practicing Company Secretaries

Sd/-
Miten Chawda
FCS No: 6949
C P No: 11625
UDIN: F006949E000124011

Note: Parawise details of the Audit finding, if necessary, may be placed as annexure to the report.

Place: **Mumbai**

Date: **April 17, 2023**

ANNEXURE I

List of other laws applicable to the Company

1. Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
2. Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 & 2020
3. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations and other applicable SEBI regulations,
4. Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015
5. Securities and Exchange Board of India (Research Analysts) Regulation 2014
6. Securities and Exchange Board of India Act, 1992
7. Securities Contracts (Regulation) Act, 1956 ('SCRA')
8. SEBI (Alternative Investment Funds) Regulations, 2012
9. Companies Act, Rules and XBRL regulations
10. Association of Mutual Funds in India's guidelines, circulars & directives
11. The Bombay Stamp Act, 1958
12. Indian Stamp Act, 1899
13. Indian Registration Act, 1908
14. Prevention of Money-Laundering Act, 2002
15. The Depositories Act, 1996 and relevant Stock Exchange Regulations
16. Reserve Bank of India Act, 1934 and other rules, regulations and guidelines prescribed by RBI
17. Securities Transaction Tax Act
18. Foreign Exchange Management Act, 1999 (FEMA)
19. Income Tax Act, 1961
20. The Maharashtra Value Added Tax Act, 2002
21. Profession Tax Act (corporate and as applicable to branches)
22. Central Goods and Service Tax Act, 2017
23. Patents Act, 1970,
24. Trade Marks Act, 1999
25. Indian Copyright Act, 1957
26. Indian Contract Act 1872
27. Employee's Provident Funds and Miscellaneous Provisions Act, 1952
28. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
29. Shops and Establishment Act (corporate and as applicable)
30. Other laws as applicable to branches
31. Payment of Gratuity Act, 1972
32. Workmen's Compensation Act, 1923
33. Maternity Benefit Act, 1961
34. The Employees State Insurance Act, 1948
35. Competition Act, 2002
36. Information Technology Act, 2000
37. Limitation Act, 1963

Anexure II List of Specific Events

| Sr. No. | Remarks | Board of Directors Approval/ Noting date | Members Approval date |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------|
| 1 | To take note of and approve this Subscription cum Shareholders Agreement to be entered into for incorporation of subsidiary company of Axis Asset Management Company Limited ("Axis AMC") for undertaking Pension Fund Management ("PFM") business. | Circular Resolution No. 48/2021-22 dated March 31, 2022 noted at Board Meeting dated April 19, 2022. | - |
| 2 | To approve re-appointment of Mr. Ravi Narayanan as a Director on the board of the Company. | April 19, 2022 | - |
| 3 | To approve performance linked incentives for the year ended March 31, 2022 ad remuneration payable to Mr. Chandresh Kumar Nigam for the financial year 2022-23. | April 19, 2022 | July 18, 2022 |
| 4 | To approve investments in Axis Rera opportunities fund – II, a scheme of Axis Alternative Fund – Category II. | April 19, 2022 | - |
| 5 | Approval of amendment of the Investment Management Agreement executed with Axis Mutual Fund Trustee Limited for acting as Investment Manager to the schemes of Axis Mutual Fund. | Circular Resolution No. 5/2022-23 dated May 10, 2022 noted at Board Meeting dated May 19, 2022. | - |
| 6 | To take note of the administrative warning issued by SEBI for Axis Alternative Investment Fund Category II pursuant to the inspection of the books and accounts for the period 2020-2021. | July 15, 2022 | - |
| 7 | Approval for submission of application for seeking approval to initiate Point of Presence (POP) activity by Axis Pension Fund Management Limited, a subsidiary of Axis Asset Management Company Limited | Circular Resolution No. 37/2022-23 dated May 10, 2022 noted at Board Meeting dated November 02, 2022. | - |
| 8 | Approval for second extension of tenure of Axis New Opportunities AIF – I. | Circular Resolution No. 53/2022-23 dated February 03, 2023 noted at Board Meeting dated March 09, 2023. | - |
| 9 | Re-appointment of Ms. Sonia Singh as an Independent Director for a second term on the Board of the Company. | Circular Resolution No. 54/2022-23 dated February 16, 2023 noted at Board Meeting dated March 09, 2023. | March 15, 2023 |
| 10 | To take note of the term of Mr. Chandresh Kumar Nigam as the Managing Director and Chief Executive Officer of the Company. | March 09, 2023 | - |
| 11 | To approve appointment of Mr. Gop Kumar Bhaskaran (DIN – 07223999) as (i) an Additional Director and (ii) the Managing Director and Chief Executive Officer of the Company and other matters related thereto. | March 09, 2023 | - |

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

Annexure III

Date: April 17, 2023

To,
The Board of Directors,

AXIS ASSET MANAGEMENT COMPANY LIMITED
"Axis House", 1st Floor, C-2, Wadia International Centre,
Pandurang Budhkar Marg, Worli, Mumbai 400025.

Dear Sirs, Madam,

The Secretarial Audit report for the financial year ended March 31, 2023, of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed 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 management. Our examination was limited to the monitoring of adequate systems, procedures, Board processes and compliance mechanism.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanking you.

Yours faithfully,

For **MC & Associates**

Practicing Company Secretaries

Sd/-

Miten Chawda

FCS No: 6949

C P No: 11625

UDIN: F006949E000124011

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Asset Management Company Limited

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of Axis Asset Management Company Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note 41 of the standalone Ind AS financial statements which describes investigation by the Company on matters pertaining to the Schemes of Mutual Fund managed by the Company. Based on the investigation till date, management has identified: (i) certain non-compliances with policies of the Company; and (ii) potential securities law violation by two former employees during the course of their employment. Pending final outcome of the regulatory investigation by the Securities and Exchange Board of India, the impact, if any, on the standalone Ind AS financial statements is not ascertainable.

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

Information Other than the standalone Ind AS Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) In our opinion, the adverse effect, if any, on the functioning of the Company in respect of matters described in the Basis for Qualified Opinion paragraph above, is presently not ascertainable;
 - (f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company and hence no reporting is required on compliance of section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 23037924BGXTZF7338

Place of Signature: Mumbai

Date: April 17, 2023

ANNEXURE - 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date
Re: Axis Asset Management Company Limited (“the company”)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (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 intangibles 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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (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) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company
- (b) During the year, the company has made investment in a company which is not prejudicial to the Company's interest. The Company has not made any other investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c)(d)(e) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), clause 3(iii)(d) and clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Investment for which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (b) According to the records of the Company, the dues of income-tax on account of any dispute, are as follows:
- | Name of the Statute | Nature of the Dues | Amount
(₹. in Crs) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|--------------------|-----------------------|------------------------------------|--------------------------------------|
| The Income Tax Act, 1961 | Income Tax | - | AY 2017-18 | Commissioner of Income tax (Appeals) |
| The Income Tax Act, 1961 | Income Tax | 0.95 | AY 2020-21 | Commissioner of Income tax (Appeals) |
| Goods & Service Tax | Service Tax | 0.28 | AY 2018-19 | Commissioner (Appeals – II) |
| ESIC | ESIC | 0.14 | May 2016 – February 2021 | ESIC Court |
- Note:** During the year/previous years, the Company has deposited/adjusted from refunds Rs. 5.75 Crs in connection with a dispute with the Commissioner of Income Tax Appeal for the AY 2017-18 & AY 2020-21. Further, the Company has deposited Rs. 0.05 Crs in connection with a dispute with the ESIC Court for the period May 2016 – February 2021.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associate or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associate or joint venture.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) As mentioned in paragraph “Basis for Qualified Opinion” of the main audit report and note 41 to the financial statements, which describes investigation by the Company on matters pertaining to the Schemes of Mutual Fund managed by the Company. Pending finality in said matter, we are unable to comment whether fraud by the employee of Company or on the Company has occurred during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a)(b)(c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), clause 3(xii)(b) and clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (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 without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Company does not have any CIC which is part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 40 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing CSR projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 29 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing CSR projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 29 to the financial statements.
- (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-
per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 23037924BGXTZF7338
Place of Signature: Mumbai
Date: April 17, 2023

**ANNEXURE - 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF
AXIS ASSET MANAGEMENT COMPANY LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Axis Asset Management Company Limited

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 23037924BGXTZF7338

Place of Signature: Mumbai

Date: April 17, 2023

Balance Sheet as at March 31, 2023

Rs. In crores

| Particulars | Note No | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------------------------------------------------|---------|----------------------|----------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 3 | 2.98 | 0.81 |
| Receivables | | | |
| (i) Trade receivables | 4 | 71.66 | 93.42 |
| (ii) Other receivables | | - | - |
| Investments | 5 | 1,423.04 | 1,000.72 |
| Other financial assets | 6 | 3.17 | 2.97 |
| Total financial assets | | 1,500.85 | 1,097.92 |
| Non financial assets | | | |
| Current tax assets (Net) | 7 | 20.09 | 23.48 |
| Property, plant and equipment | 8 | 30.41 | 22.69 |
| Intangible assets | 8 | 2.24 | 5.51 |
| Intangible assets under development | 34 | 2.18 | 0.20 |
| Other non-financial assets | 9 | 125.22 | 84.78 |
| Total non financial assets | | 180.14 | 136.66 |
| Total assets | | 1,680.99 | 1,234.58 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 10 | 33.52 | 22.02 |
| Long term borrowing | 11 | 1.02 | 0.82 |
| Other financial liabilities | 12 | 19.29 | 14.47 |
| Total financial liability | | 53.83 | 37.31 |
| Non financial liabilities | | | |
| Provisions | 13 | 78.09 | 85.86 |
| Deferred tax liability (Net) | 33 | 10.35 | 3.88 |
| Other non-financial liabilities | 14 | 29.80 | 28.58 |
| Total non financial liabilities | | 118.24 | 118.32 |
| Equity | | | |
| Equity share capital | 15 | 210.11 | 210.11 |
| Other equity | 16 | | |
| - Security premium | | 28.89 | 28.89 |
| - Share option outstanding | | - | - |
| - Retained Earning | | 1,269.92 | 839.95 |
| Total equity | | 1,508.92 | 1,078.95 |
| Total liabilities and equity | | 1,680.99 | 1,234.58 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

For Axis Asset Management Company Limited

Sd/-

Jayesh Gandhi

Partner

Membership No.037924

Mumbai.

April 17, 2023

Sd/-

V. Anantharaman

Director

DIN: 01223191

Sd/-

Gopal Menon

COO & CFO

Mumbai.

April 17, 2023

Sd/-

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Sd/-

Lalit Taparia

Company Secretary

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

Rs. In crores

| Particulars | Note No | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------------------------------|---------|------------------------------|------------------------------|
| Income | | | |
| Asset management services | 17 | 984.09 | 893.66 |
| Net gain on fair value changes | 18 | 36.93 | 40.06 |
| Revenue from operations | | 1,021.02 | 933.72 |
| Other income | 19 | 3.54 | 3.01 |
| Total Income | | 1,024.56 | 936.73 |
| Expenses | | | |
| Finance cost | 20 | 1.65 | 1.55 |
| Employee benefits expenses | 21 | 194.89 | 187.43 |
| Depreciation and amortization expense | 8 | 18.81 | 17.64 |
| Other expenses | 22 | 230.91 | 198.08 |
| Total expenses | | 446.26 | 404.70 |
| Profit before tax | | 578.30 | 532.03 |
| Tax expense | | | |
| Current tax | 33 | 142.49 | 114.80 |
| Deferred tax | 33 | 6.31 | 15.03 |
| Total tax expense | | 148.80 | 129.83 |
| Profit after tax | | 429.50 | 402.20 |
| Other comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | | | |
| - Remeasurement gains/ (losses) of the defined benefit plans | | 0.63 | (0.71) |
| - Income tax relating effect | 33 | (0.16) | 0.17 |
| Total other comprehensive Income | | 0.47 | (0.54) |
| Total comprehensive income | | 429.97 | 401.66 |
| Earnings per equity share (Face value Rs 10/-) | 32 | | |
| - Basic | | 20.44 | 19.14 |
| - Diluted | | 20.44 | 19.14 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

For Axis Asset Management Company Limited

Sd/-

Jayesh Gandhi

Partner

Membership No.037924

Mumbai.

April 17, 2023

Sd/-

V. Anantharaman

Director

DIN: 01223191

Sd/-

Gopal Menon

COO & CFO

Mumbai.

April 17, 2023

Sd/-

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Sd/-

Lalit Taparia

Company Secretary

Cash flow statement for the year ended March 31, 2023

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| A. Cash Flow from Operating Activities | | |
| Profit Before Tax | 578.30 | 532.03 |
| Add / (Less) : Adjustments for | | |
| Depreciation, amortisation and impairment | 18.81 | 17.64 |
| Employee stock option charge | - | 16.83 |
| (Profit) / Loss on sale of investments (net) | (16.36) | (2.64) |
| Fair value (Gain) / Loss on investments | (20.57) | (37.42) |
| (Profit) / Loss on sale of property, plant and equipment (net) | (0.05) | 0.00 |
| Operating profit before working capital changes | 560.13 | 526.44 |
| Adjustments for: | | |
| (Increase) / Decrease in trade Receivables | 21.76 | (5.89) |
| (Increase) / Decrease in other Financial Assets | (0.19) | (0.31) |
| (Increase) / Decrease in other Non-Financial Assets | (40.44) | (26.05) |
| Increase / (Decrease) in trade Payable | 11.51 | 13.46 |
| Increase / (Decrease) in other Financial Liabilities | (9.93) | (39.57) |
| Increase / (Decrease) in provisions | (7.15) | (20.94) |
| Increase / (Decrease) in other Non-Financial Liabilities | 1.22 | 6.95 |
| Cash generated from operations | 536.91 | 454.09 |
| Income tax paid | (139.10) | (126.21) |
| A. Net cash from operating activities | 397.81 | 327.88 |
| B. Cash Flow from Investing activities | | |
| Purchase of property, plant and equipment and other intangible assets | (10.63) | (12.86) |
| Proceeds from sale of property, plant and equipment and other intangible assets | 0.18 | 1.30 |
| Purchase of investments | (954.77) | (790.78) |
| Proceeds from sale of investments | 569.37 | 474.63 |
| B. Net cash from investing activities | (395.84) | (327.71) |
| C. Cash flow from financing activities | | |
| Increase / (Decrease) in Long term borrowing | 0.20 | 0.30 |
| C. Net cash from financing activities | 0.20 | 0.30 |
| Net increase / (Decrease) in cash and cash equivalents (A + B + C) | 2.17 | 0.47 |
| Cash and cash equivalents at the beginning of the period | 0.81 | 0.34 |
| Cash and cash equivalents at the end of the period | 2.98 | 0.81 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Sd/-

Jayesh Gandhi

Partner

Membership No.037924

Mumbai.

April 17, 2023

For Axis Asset Management Company Limited

Sd/-

V. Anantharaman

Director

DIN: 01223191

Sd/-

Gopal Menon

COO & CFO

Mumbai.

April 17, 2023

Sd/-

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Sd/-

Lalit Taparia

Company Secretary

Statement of changes in equity the year ended March 31,2023

| Equity share capital | | | | Rs. In crores |
|------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------|--------------------------------|---------------|
| Particulars | Balance at the beginning of the year | Changes in equity share capital during the year | Balance at the end of the year | |
| Equity shares of Rs 10 each (March 31,2022 Rs. 10 each),fully paid up | | | | |
| As at 31st March 2022 | 210.11 | - | 210.11 | |
| As at 31st March 2023 | 210.11 | - | 210.11 | |

| Other Equity | | | | | Rs. In crores |
|----------------------------------------------------------------|------------------|----------------------------------|-----------------|--|-----------------|
| | Security Premium | Share option Outstanding account | Retain Earning | | Total |
| Balance as at 1st April 2021 | 28.89 | 16.02 | 438.29 | | 483.20 |
| Employee stock options transfer to other financial liabilities | - | (16.02) | - | | (16.02) |
| Profit for the year | - | - | 402.20 | | 402.20 |
| Other Comprehensive Income | - | - | (0.54) | | (0.54) |
| Total Comprehensive Income | - | (16.02) | 401.66 | | 385.64 |
| Balance as at 31st March 2022 | 28.89 | - | 839.95 | | 868.84 |
| Balance as at 1st April 2022 | 28.89 | - | 839.95 | | 868.84 |
| Profit for the year | - | - | 429.50 | | 429.50 |
| Other Comprehensive Income | - | - | 0.47 | | 0.47 |
| Total Comprehensive Income | - | - | 429.97 | | 429.97 |
| Balance as at 31st March 2023 | 28.89 | - | 1,269.92 | | 1,298.81 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Sd/-
Jayesh Gandhi
Partner
Membership No.037924
Mumbai.

April 17, 2023

For Axis Asset Management Company Limited

Sd/-
V. Anantharaman
Director
DIN: 01223191

Sd/-
Gopal Menon
COO & CFO
Mumbai.
April 17, 2023

Sd/-
Chandresh Kumar Nigam
Managing Director & CEO
DIN: 00498968

Sd/-
Lalit Taparia
Company Secretary

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 Asset Management Company Limited ('the Company') was incorporated on January 13, 2009 under The Companies Act, 1956. Axis Bank Limited holds 75% of the total issued and paid up equity share capital, the balance 25% plus one equity share is held by Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings Private Limited (SSHPL), both subsidiaries of Schroders plc. 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 approved by the Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996 to act as an Investment Manager. The Company's principal activity is to act as investment manager to Axis Mutual Fund ('the Fund'). The Company manages Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated June 27, 2009.

The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (PMS). The Company is also registered under SEBI (Alternative Investment Funds) Regulations, 2012 and is providing an investment management service to scheme's launched under Alternative Investment Funds (AIF).

The financial statements were approved for issue in accordance with a resolution of the directors on 17th April 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. The Company's financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014, notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable (Previous GAAP).

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. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 35.

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 crores (INR 0000000), 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. |

2. Significant accounting policy

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. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

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.

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.

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:

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.

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 the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

The Company principally generates revenue by providing asset management services to Axis Mutual fund and other clients.

Management fees are recognized on accrual basis. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from PMS, AIF and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

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

2.7. Commission and operation expenses

Mutual fund

a) New fund offer expenses

Expenses relating to new fund offer of Axis Mutual Fund are charged to statement of Profit and Loss in the year in which they are incurred.

b) Commission

Claw-backable commission paid by the Company in advance are charged to the statement of Profit and Loss over the claw-back period/tenure of the respective scheme. The unamortized portion of the clawbackable commission is carried forward as prepaid expense.

Upfront commission on closed ended and fixed tenure schemes is amortized over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront commission is amortized over 3 years. The unamortized portion of the commission is carried forward as prepaid expense.

PMS and AIF commission

Commission paid on certain PMS products are amortized over the exit load period. Unamortized portion of commission is carried forward as prepaid expenses.

Commission paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the commission is carried forward as prepaid expense.

2.8. 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.

National Pension Scheme

National Pension Scheme ('NPS') In respect of employees who opt for contribution to the 'NPS', the Bank contributes certain percentage of the total basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

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.

Other Long term Benefit

Long Term Incentive plan (LTIP)

The company has initiated Axis AMC- Long Term Incentive plan. The points granted to employees as per the guidelines laid down in the plan, are encashable after they are held for a specified period as per the terms of the plan. Company accounts for the liability arising on points granted proportionately over the period from the date of grant till the end of the exercise window. The present value of the obligation under such plan is determined based on actuarial valuation.

Share based options

Certain eligible employee of the company are entitled for Axis Bank Limited ('Parent Company') share awards. The company recognizes the fair value of the shares and expenses for these plan over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

The above share awards are treated as an equity settled share based payment transaction. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognized as 'employee benefit expenses' with corresponding increase in liability as payable to holding company. The fair value of the options at the grant date is calculated by an independent valuer basis black scholes model.

2.9. 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.

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 insubstance 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 remeasured 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.

2.10. 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.

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.

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

2.12. Operating Segment

The Company is in the business of providing asset management services to the schemes of Axis Mutual Fund portfolio management service to clients Investment management services to AIF and offshore funds. The primary segment is identified as asset management services as all services are in relation to asset management, there is no separate segment identified.

2.13. Earning 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.

2.14. Foreign currency translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the recordings the transactions. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing rate on that date.

The exchange differences, if any, either on settlement or translation are recognized in statement of Profit and Loss.

| 3. Cash and cash equivalents | | Rs. In crores | |
|-----------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Balances with bank in - current account | 2.98 | 0.81 | |
| Cash on hand | - | - | |
| | 2.98 | 0.81 | |

| 4. Trade receivables | | Rs. In crores | |
|-------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Trade receivable-unsecured | 68.55 | 89.89 | |
| Receivable related parties | 3.11 | 3.53 | |
| Less: Allowance for impairment loss | - | - | |
| Total trade receivables | 71.66 | 93.42 | |

Trade receivable ageing schedule

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------------------------|------------------------------------------------------------|-------------------|-----------|-------------|------------------|--------------|
| | Less than 6 months | 6 months - 1 year | 1 -2 year | 2 -3 year | more than 3 year | |
| Undisputed Trade Receivables - considered good | 71.66 | - | - | 0.00 | - | 71.66 |
| | 71.66 | - | - | 0.00 | - | 71.66 |

As at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------------------------|------------------------------------------------------------|-------------------|-------------|-------------|------------------|--------------|
| | Less than 6 months | 6 months - 1 year | 1 -2 year | 2 -3 year | more than 3 year | |
| Undisputed Trade Receivables - considered good | 93.39 | 0.01 | 0.01 | 0.00 | 0.01 | 93.42 |
| | 93.39 | 0.01 | 0.01 | 0.00 | 0.01 | 93.42 |

| 5. Investments | | Rs. In crores | |
|------------------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| At fair value through profit & loss | | | |
| Mutual fund | 1,311.10 | 943.37 | |
| Alternate Investment Fund | 61.88 | 48.04 | |
| Equity share | 50.06 | 9.31 | |
| Total gross investments | 1,423.04 | 1,000.72 | |
| Investments outside India | - | - | |
| Investments in India | 1,423.04 | 1,000.72 | |
| | 1,423.04 | 1,000.72 | |

| 6. Other financial assets | | Rs. In crores | |
|---------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Security deposits | 3.17 | 2.97 | |
| | 3.17 | 2.97 | |

| 7. Current tax assets | | Rs. In crores | |
|------------------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Income tax paid in advance (Net of provisions) | 20.09 | 23.48 | |
| | 20.09 | 23.48 | |

8. Property, plant and equipment and intangible assets

Rs. In crores

| Particulars | Gross Block | | | Accumulated Depreciation | | | | Net Block | | | |
|---------------------------------------|---------------|--------------|--------------|--------------------------|---------------|----------------|--------------|----------------------|----------------------|----------------------|--------------|
| | April 1, 2022 | Additions | Deductions | As at March 31, 2023 | April 1, 2022 | For the Period | Deductions | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 | |
| Property plant & equipment | | | | | | | | | | | |
| Computers | 22.22 | 5.26 | 0.85 | 26.64 | 14.70 | 4.58 | 0.85 | 18.43 | 8.21 | 7.52 | |
| Furniture & fixtures | 1.42 | 0.16 | 0.03 | 1.55 | 0.86 | 0.11 | 0.02 | 0.95 | 0.60 | 0.56 | |
| Office equipments | 2.96 | 0.95 | 0.10 | 3.81 | 2.18 | 0.47 | 0.10 | 2.55 | 1.26 | 0.78 | |
| Leasehold improvements | 10.86 | 1.47 | 0.74 | 11.59 | 10.31 | 0.54 | 0.74 | 10.11 | 1.48 | 0.55 | |
| Vehicle(Car) * | 1.04 | 0.60 | 0.23 | 1.41 | 0.26 | 0.29 | 0.11 | 0.44 | 0.98 | 0.78 | |
| Right to use asset | | | | | | | | | | | |
| - Property | 36.21 | 15.60 | 10.46 | 41.34 | 23.86 | 9.27 | 9.61 | 23.52 | 17.82 | 12.35 | |
| - Vehicle (Car) | 0.46 | - | - | 0.47 | 0.31 | 0.09 | - | 0.41 | 0.06 | 0.15 | |
| a | 75.17 | 24.05 | 12.42 | 86.81 | 52.48 | 15.35 | 11.45 | 56.39 | 30.41 | 22.69 | |
| Intangible assets | | | | | | | | | | | |
| Software | 23.13 | 0.19 | - | 23.33 | 17.62 | 3.46 | - | 21.08 | 2.24 | 5.51 | |
| b | 23.13 | 0.19 | - | 23.33 | 17.62 | 3.46 | - | 21.08 | 2.24 | 5.51 | |
| Total | a+b | 98.30 | 24.25 | 12.42 | 110.14 | 70.10 | 18.81 | 11.45 | 77.48 | 32.66 | 28.20 |

| Particulars | Gross Block | | | Accumulated Depreciation | | | | Net Block | | | |
|---------------------------------------|---------------|--------------|--------------|--------------------------|---------------|--------------|--------------|----------------------|----------------------|----------------------|--------------|
| | April 1, 2021 | Additions | Deductions | As at March 31, 2022 | April 1, 2021 | For the year | Deductions | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 | |
| Property plant & equipment | | | | | | | | | | | |
| Computers | 15.95 | 6.30 | 0.03 | 22.22 | 11.21 | 3.52 | 0.03 | 14.70 | 7.52 | 4.74 | |
| Furniture & fixtures | 1.37 | 0.06 | 0.01 | 1.42 | 0.76 | 0.11 | 0.01 | 0.86 | 0.56 | 0.61 | |
| Office equipments | 2.70 | 0.28 | 0.02 | 2.96 | 1.85 | 0.35 | 0.02 | 2.18 | 0.78 | 0.85 | |
| Leasehold improvements | 10.19 | 0.67 | - | 10.86 | 9.73 | 0.58 | - | 10.31 | 0.55 | 0.46 | |
| Vehicle(Car) * | 0.58 | 0.46 | - | 1.04 | 0.09 | 0.17 | - | 0.26 | 0.78 | 0.49 | |
| Right to use asset | | | | | | | | | | | |
| - Property | 36.01 | 3.20 | 3.00 | 36.21 | 16.92 | 8.64 | 1.70 | 23.86 | 12.35 | 19.09 | |
| - Vehicle (Car) | 0.51 | - | 0.05 | 0.46 | 0.24 | 0.12 | 0.05 | 0.31 | 0.15 | 0.27 | |
| a | 67.31 | 10.97 | 3.11 | 75.17 | 40.80 | 13.49 | 1.81 | 52.48 | 22.69 | 26.51 | |
| Intangible assets | | | | | | | | | | | |
| Software | 20.74 | 2.39 | - | 23.13 | 13.48 | 4.14 | - | 17.62 | 5.51 | 7.26 | |
| b | 20.74 | 2.39 | - | 23.13 | 13.48 | 4.14 | - | 17.62 | 5.51 | 7.26 | |
| Total | a+b | 88.05 | 13.36 | 3.11 | 98.30 | 54.28 | 17.64 | 1.81 | 70.10 | 28.20 | 33.77 |

* Hypothecated with Axis bank

9. Other non-financial assets

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------|----------------------|----------------------|
| Capital advance | 0.20 | 0.12 |
| Prepaid expenses (Other) | 4.31 | 3.61 |
| Unamortized commission | 74.37 | 66.23 |
| Other Non-financial assets | 1.37 | 0.93 |
| Balances with statutory/ Government tax authorities | 44.97 | 13.89 |
| | 125.22 | 84.78 |

10. Trade payable

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------------------------------------------------|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 25) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 33.52 | 22.02 |
| - Related party | 15.85 | 13.46 |
| - Others | 17.67 | 8.56 |
| | 33.52 | 22.02 |

Trade payable ageing schedule

As at March 31, 2023

Rs. In crores

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------------------------------------------------------------------|------------------------------------------------------------|-------------|-------------|------------------|--------------|
| | Less than 1 year | 1 -2 year | 2 -3 year | more than 3 year | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 33.34 | 0.15 | 0.00 | - | 33.49 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | 0.03 | 0.03 |
| | 33.34 | 0.15 | 0.00 | 0.03 | 33.52 |

As at March 31, 2022

Rs. In crores

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------------------------------------------------------------------|------------------------------------------------------------|-------------|-------------|------------------|--------------|
| | Less than 1 year | 1 -2 year | 2 -3 year | more than 3 year | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 21.94 | 0.02 | 0.03 | - | 21.99 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | 0.03 | 0.03 |
| | 21.94 | 0.02 | 0.03 | 0.03 | 22.02 |

11. Long term borrowing

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------|----------------------|----------------------|
| Vehical loan | | |
| - Related party | 1.02 | 0.82 |
| - Others | - | - |
| | 1.02 | 0.82 |

12. Other financial liabilities

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------|----------------------|----------------------|
| Lease liability | 19.29 | 14.47 |
| | 19.29 | 14.47 |

13. Provision

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------|----------------------|----------------------|
| Provision for employee benefits | | |
| - Provision for gratuity | 0.26 | 0.10 |
| - Provision for salaries and allowances | 60.57 | 72.92 |
| Other dues | 17.26 | 12.84 |
| | 78.09 | 85.86 |

14. Other non-financial liabilities

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------|----------------------|----------------------|
| Statutory dues | 28.81 | 27.73 |
| Employee benefit dues | 0.99 | 0.85 |
| | 29.80 | 28.58 |

15. Share capital

| Particulars | No. of Shares | Rs. In crores |
|------------------------------------------------------------------|---------------------|---------------|
| Authorized | | |
| Equity Shares, Rs 10/- each | | |
| As at March 31, 2022 | 21,50,00,000 | 215.00 |
| As at March 31, 2023 | 21,50,00,000 | 215.00 |
| 7.28% Redeemable non convertible Preference Shares, Rs 10/- each | | |
| As at March 31, 2022 | 3,00,00,000 | 30.00 |
| As at March 31, 2023 | 3,00,00,000 | 30.00 |
| Issued, subscribed and paid-up | | |
| Equity Shares, Rs 10/- each | | |
| As at March 31, 2022 | 21,01,11,112 | 210.11 |
| As at March 31, 2023 | 21,01,11,112 | 210.11 |

a. Terms/ rights attached to equity shares

The company has two class of shares referred to as equity shares and preference 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 at the beginning of the year | Add: Shares issued during the year | Add: Bonus shares issued during the year | Outstanding at the end of the year |
|-------------------------------------|------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|
| | No of Shares | | | |
| Equity Shares, Rs. 10/- each | | | | |
| As at March 31, 2022 | 21,01,11,112 | - | - | 21,01,11,112 |
| As at March 31, 2023 | 21,01,11,112 | - | - | 21,01,11,112 |
| | Rs. In crores | | | |
| Equity Shares, Rs. 10/- each | | | | |
| As at March 31, 2022 | 210.11 | - | - | 210.11 |
| As at March 31, 2023 | 210.11 | - | - | 210.11 |

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

| Particulars | Axis Bank limited (holding company) and its nominees | | Schroder Singapore Holdings Private Limited | | Total | |
|-------------------------------------|------------------------------------------------------|--------|---------------------------------------------|--------|--------------|--------|
| | No of Shares | % Held | No of Shares | % Held | No of Shares | % Held |
| Equity Shares, Rs. 10/- each | | | | | | |
| As at March 31, 2022 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |
| As at March 31, 2023 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |

d. Details of shares held by promoters

| Particulars | Axis Bank limited (holding company) and its nominees | | Schroder Singapore Holdings Private Limited | | Total | |
|------------------------------------|------------------------------------------------------|------------|---------------------------------------------|------------|---------------------|-------------|
| | No of Shares | % Held | No of Shares | % Held | No of Shares | % Held |
| Equity Shares, Rs 10/- each | | | | | | |
| As at April 01, 2021 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |
| Change during the year | - | - | - | - | - | - |
| As at March 31, 2022 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |
| Change during the year | - | - | - | - | - | - |
| As at March 31, 2023 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |

16. Other Equity

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------|----------------------|----------------------|
| Securities premium reserve | | |
| Opening balance | 28.89 | 28.89 |
| Add/(less): Changes during the year | - | - |
| Fresh Issue of equity shares | - | - |
| Amount utilised for issue of bonus shares | - | - |
| Closing balance | 28.89 | 28.89 |
| Share based option outstanding account | | |
| Opening balance | - | 16.02 |
| Transfer to Other financial liabilities | - | (16.02) |
| Stock option expenses for the year | - | - |
| Less: Transferred to General Reserve | - | - |
| Closing balance | - | - |
| Surplus/(deficit) in statement of profit & loss | | |
| Opening balance | 839.95 | 438.29 |
| Add: Profit for the year | 429.50 | 402.20 |
| Add: Other comprehensive income | 0.47 | (0.54) |
| Closing balance | 1,269.92 | 839.95 |
| Total | 1,298.81 | 868.84 |

a) Securities premium:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Share based option outstanding account

Share base option outstanding account is used to recognise the grant date fair value of options issued to employees under Axis Bank Limited Employee stock option scheme (equity settled).

17. Fees and commission income

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------------------------------|------------------------------|------------------------------|
| Investment management fees (net of GST) | 869.51 | 778.98 |
| Investment advisory fees - offshore | 32.96 | 25.07 |
| Portfolio management fees & AIF fees (net of GST) | 81.62 | 89.61 |
| | 984.09 | 893.66 |

18. Net gain on fair value changes

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------------------|------------------------------|------------------------------|
| Net gain/(loss) on financial instruments at FVTPL | | |
| - On Investment | 36.93 | 40.06 |
| Total | 36.93 | 40.06 |
| Fair value changes | | |
| Realised | 16.36 | 2.64 |
| Unrealised | 20.57 | 37.42 |
| Total | 36.93 | 40.06 |

19. Other Income

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Profit on sale of fixed assets (net) | 0.05 | - |
| Interest on rental deposit | 0.26 | 0.25 |
| Miscellaneous income | 0.01 | 0.03 |
| Income on Investments | 3.22 | 2.73 |
| | 3.54 | 3.01 |

20. Finance cost

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------|------------------------------|------------------------------|
| Interest on lease liability | 1.58 | 1.50 |
| Interest on vehical loan | 0.07 | 0.05 |
| | 1.65 | 1.55 |

21. Employee benefits expense

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------------------------|------------------------------|------------------------------|
| Salaries,wages & allowances | 159.53 | 157.09 |
| Contribution to provident funds & other funds | 7.60 | 6.38 |
| Staff welfare expenses | 10.64 | 7.13 |
| Employee stock option charge (Refer note 28) | 17.12 | 16.83 |
| | 194.89 | 187.43 |

22. Other Expenses

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------------------------------------|------------------------------|------------------------------|
| Commissions & Operational expenses | 61.22 | 83.02 |
| Sales, marketing advertisement and publicity expenses | 38.37 | 39.77 |
| Rent | 0.50 | 0.44 |
| Rates and taxes | 0.24 | 0.17 |

22. Other Expenses (Contd.)

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------------------------------------|------------------------------|------------------------------|
| Premises brokerage | - | 0.09 |
| Establishment expenses | 8.21 | 7.43 |
| Communication expenses | 7.01 | 5.07 |
| Outsourced services cost | 14.81 | 14.93 |
| Legal expenses and professional fees | 29.95 | 6.25 |
| Travelling, lodging and conveyance | 3.72 | 1.70 |
| IT related cost | 53.31 | 28.82 |
| Printing and stationery | 0.41 | 0.23 |
| Membership and subscriptions | 1.31 | 1.13 |
| Entertainment and business promotion | 1.87 | 1.71 |
| Auditors fees and expenses | 0.29 | 0.25 |
| - Other matters | - | - |
| Repairs and Maintenance | 1.52 | 2.19 |
| Directors sitting fees | 0.77 | 0.43 |
| Foreign exchange loss (net) | 0.72 | 0.38 |
| GST tax expenses | 0.17 | 0.14 |
| Loss on sale of assets | - | 0.00 |
| CSR Contribution as per section 135 of Companies Act, 2013 (Refer note 29) | 6.48 | 3.85 |
| Miscellaneous expenses | 0.08 | 0.08 |
| | 230.91 | 198.08 |

Notes to financials statements for the year ended March 31,2023.

23 Contingent liabilities

Direct tax related matters Rs 7.16 crores (Previous year Rs 5.61 crores)

The company has carried out assesment of outstanding tax litigations as per the requirements of Ind AS 12 and considered the impact as remote, hence no provision and disclosure is considered necessary

24 Capital commitments

- Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided is Rs 1.83 crores (Previous year Rs 0.88 crores)
- Estimated Investment commitments by the company Rs. 61.86 crores(Previous year Rs 48.11).

25 Trade payable

Sundry creditors do not include any 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. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Principal amount remaining unpaid to any supplier as at the year end | Nil | Nil |
| Interest due thereon | Nil | 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 | 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 | Nil |
| Amount of interest accrued and remaining unpaid at the end of the accounting year | Nil | 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. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------------------------|------------------------------|------------------------------|
| Employer's contribution to provident fund | 5.42 | 4.49 |

Defined benefit plans

The Company has a defined benefit gratuity plan (funded). 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:

Rs. In crores

| Particulars | As at March 31,2023 | | |
|--------------------------------------------------|--------------------------------|-----------------------------|---------------------------------|
| | Present value of obligation | Fair value of Plan Asset | Net Amount (asset)/liability |
| Opening Balance | 9.89 | 9.78 | 0.11 |
| Current Service cost | 1.64 | - | 1.64 |
| Interest on defined benefit obligation / Asset | 0.62 | 0.68 | (0.06) |
| (Gain)/Loss from change in Financial assumption | (0.34) | - | (0.34) |
| (Gain)/Loss from change in experience assumption | (0.72) | - | (0.72) |
| Transfer out | - | (0.43) | 0.43 |
| Employer contribution | - | 0.80 | (0.80) |
| Benefit payments | (2.10) | (2.10) | - |
| Return on Plan assets | - | - | - |
| Closing balance | 8.99 | 8.72 | 0.27 |

Rs. In crores

| Particulars | As at March 31,2022 | | |
|--------------------------------------------------|-----------------------------|--------------------------|------------------------------|
| | Present value of obligation | Fair value of Plan Asset | Net Amount (asset)/liability |
| Opening Balance | 7.33 | 6.63 | 0.70 |
| Current Service cost | 1.44 | - | 1.44 |
| Interest on defined benefit obligation / Asset | 0.38 | 0.40 | (0.02) |
| (Gain)/Loss from change in Financial assumption | (0.69) | - | (0.69) |
| (Gain)/Loss from change in experience assumption | 1.79 | - | 1.79 |
| Transfer out | - | 0.39 | (0.39) |
| Employer contribution | - | 2.72 | (2.72) |
| Benefit payments | (0.36) | (0.36) | - |
| Return on Plan assets | - | - | - |
| Closing balance | 9.89 | 9.78 | 0.11 |

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

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|----------------------|----------------------|
| Present value of plan liability | 8.99 | 9.89 |
| Fair Value of plan assets | (8.72) | (9.79) |
| Net | 0.27 | 0.10 |

Expenses recognised in Profit and Loss

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------|----------------------|----------------------|
| Current Service Cost | 1.64 | 1.44 |
| Interest Cost on net DBO | (0.06) | (0.02) |
| Past Service Cost | - | - |
| Total P&L Expenses | 1.58 | 1.42 |

Expenses to recognised in Other comprehensive Income

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------|----------------------|----------------------|
| Actuarial Loss/(Gain) on DBO | (1.06) | 1.10 |
| Actuarial Loss/(Gain) | 0.43 | (0.39) |
| Total Re-measurements (OCI) | (0.63) | 0.71 |

Net defined benefit liability (asset) reconciliation

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------------|----------------------|----------------------|
| Net defined benefit liability (asset) | 0.11 | 0.70 |
| Defined benefit cost included in P&L | 1.58 | 1.42 |
| Total re-measurements included in OCI | (0.63) | 0.71 |
| Employer contributions | (0.80) | (2.72) |
| Employer direct benefit payments | | |
| Employer direct settlement payments | | |
| Net transfer | | |
| Net defined benefit liability (asset) as of end of period | 0.27 | 0.11 |

Actuarial assumptions

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Discount rate Current Year | 7.35% | 6.70% |
| Discount rate Previous Year | 6.70% | 5.58% |
| Salary increase rate | 11.00% | 11.00% |
| Attrition Rate | 15% (Manager & above) 20% (All Others) | 15% (Manager & above) 20% (All Others) |
| Retirement Age | 60 | 60 |
| Pre-retirement mortality | IALM (2012-14) | |
| Disability | Nil | Nil |

Sensitivity of liability

Rs. In crores

| Particulars | Change in assumption | As at March 31, 2023 | As at March 31, 2022 |
|----------------------|----------------------|----------------------|----------------------|
| Discount rate | +1% | 8.51 | 9.34 |
| Discount rate | -1% | 9.52 | 10.50 |
| Salary Increase Rate | +1% | 9.37 | 10.31 |
| Salary Increase Rate | -1% | 8.63 | 9.49 |
| Attrition Rate | +1% | 8.94 | 9.82 |
| Attrition Rate | -1% | 9.05 | 9.97 |

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:

Rs. In crores

| Expected cash flows for following year | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------|----------------------|----------------------|
| Expected employer contributions / Addl. Provision Next Year | 2.00 | 2.00 |
| Expected total benefit payments- | | |
| Year 1 | 1.48 | 1.39 |
| Year 2 | 1.25 | 1.38 |
| Year 3 | 1.16 | 1.33 |
| Year 4 | 1.12 | 1.23 |
| Year 5 | 1.20 | 1.23 |
| Next 5 years | 4.03 | 4.41 |

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, the employee stock option scheme has been introduced by Axis Bank Limited by which the employees of the Company are eligible for share options of the Parent Company. As per the Scheme, certain options of parent company were granted. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS:

| Particulars | ESOS XXXI | ESOS XXV | ESOS XXV |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|---------------------|
| Date of Grant/intimation to employee | 25th April 2022 | 30th April 2021 | 01st September 2020 |
| Price of Underlying Stock on the date of grant Rs | 725.9 | 726.25 | 488.35 |
| Exercise / Strike Price Rs | 725.9 | 726.25 | 488.35 |
| The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions: | | | |
| Risk Free Interest Rate | 5.46% to 6.21% | 4.82% to 5.67% | 5.79% to 6.20% |
| Expected Dividend Yield | 0.43% | 0.64% | 0.29% |
| Expected Life (years) | 2.95 to 4.95 | 2.28 to 4.28 | 2.28 to 4.28 |
| Expected Volatility | 30.98% to 33.02% | 31.12% to 33.44% | 29.72% to 30.19% |
| Weighted Average Fair Value Rs | 240.37 | 208.99 | 143.58 |
| Expected - Weighted average volatility | 30.98% to 33.02% | 31.12% to 33.44% | 29.72% to 30.19% |
| Weighted average remaining contractual life (no. of years) | 1.08 | 0.39 | - |

The weighted average share price for options exercised during the year under various Series/Grants was Rs. 861.87/-

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:

(As certified by the management)

| Particulars | No of Stock options as at March 31, 2023 | No of Stock options as at March 31, 2022 |
|------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------|
| Date of Grant/intimation to employee | 30th April 2019/01st September 2020/30th April 21/25th April 22 | 30th April 2019/01st September 2020/30th April 21 |
| Outstanding at the beginning of the year | 23,45,903 | 13,92,953 |
| Granted / transfer during the year | 10,20,125 | 10,60,363 |
| Exercised during the year | (3,50,717) | (50,931) |
| Forfeited during the year | - | (56,482) |
| Lapsed/expired during the year | (3,60,049) | - |
| Outstanding at the end of the year | 26,55,262 | 23,45,903 |

The weighted average share price for options exercised during the year under various Series/Grants was Rs. 861.87/-

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. At the time of granting the option, no consideration has been received and the options will be vested upon the completion of the service over the vesting period. Vested options are exercisable for the period of five years after the vesting.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expense arising from employee stock option charge

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------------------------|---------------------------|---------------------------|
| Employee stock option scheme (equity settled) | 17.12 | 16.83 |

Axis Bank ("the Holding Company") had granted ESOP to certain employees of the Company during earlier and current financial years. During the year ended March 31, 2022, the Holding Company has decided to recover the cost of such options from the Company. Accordingly, liability of Rs. 16.83 crore has been created for the FY 2021-22 and the liability of Rs. 16.03 crore has been created for the earlier years charge from "Equity" as reversal of deemed contribution from the Holding Company.

29 Corporate Social Responsibility

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2024 |
|----------------------------------------------------------|--------------------------|--------------------------|
| Gross amount required to be spent during the year | 6.48 | 3.85 |
| Amount approved by the board to be spent during the year | 6.48 | 3.85 |
| Amount Spent during the year | 6.48 | 3.85 |
| Unspent amount | - | - |

Details related to spent/ unspent obligation

| | | |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Contribution made to charitable trust | 6.48 | 3.85 |
| Nature of CSR activity | Sustainable Living Program | Sustainable Living Program |

30 Breakup of Auditors' remuneration

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|----------------|-----------------------------|-----------------------------|
| Audit fees | 0.17 | 0.15 |
| Limited review | 0.12 | 0.11 |
| Other matters | - | |
| Total | 0.29 | 0.25 |

31 Segment information

The Company is in the business of providing asset management services to the schemes of Axis Mutual Fund, portfolio management service to clients, Investment management services to AIF and offshore funds. The primary segment is identified as asset management services as all services are in relation to asset management, there is no separate segment identified.

32 Earnings Per Share

The numerators and denominators used to calculate basic and diluted earnings per share.

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| (a) Nominal value of an Equity share (Rs) | 10 | 10 |
| (b) Net profit available to Equity shareholders (Rs) | 429.50 | 402.20 |
| (c) Weighted average number of shares outstanding | 21,01,11,112 | 21,01,11,112 |
| (d) Basic and Diluted EPS (Rs) = (b)/ (c) | 20.44 | 19.14 |

33 Income tax expenses

The components of income tax expense for the years ended March 31 2023 and March 31 2022 are:

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| Income tax expenses | | |
| Current tax on profit for the year | 139.42 | 117.30 |
| Adjustment in respect of current income tax of prior years | 3.07 | (2.50) |
| Total Current tax expenses | 142.49 | 114.80 |
| Deferred tax | 6.47 | 14.85 |

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 31, 2023 and March 31, 2022 is as follows:

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Profit before tax | 578.30 | 532.03 |
| Other comprehensive Income | 0.63 | (0.71) |
| Tax at corporate tax rate @ 25.168% (Previous year 25.168%) | 145.70 | 133.72 |
| Non -deductible expenses | | |
| ESOP of parent company | - | (4.04) |
| Corporate social responsibility expenses | 1.63 | 0.97 |
| One time rate change impact | - | - |
| Capital gain tax rate difference | 1.78 | (0.99) |
| Interest payable under income tax | - | 0.02 |
| Others | (0.16) | (0.04) |
| Total Net Non -deductible expenses | 3.25 | (4.08) |
| Income tax expenses at effective rate of 25.76 % (Previous year 24.40%) | 148.96 | 129.64 |

Deferred tax assets/liabilities

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

Rs. In crores

| Particulars | As at March 31 2023 | As at March 31 2022 |
|--------------------------------------------------|------------------------|------------------------|
| Provision for employee benefits | 2.83 | 2.96 |
| ROU asset adjustment | 0.46 | 0.60 |
| Depreciation on fixed assets | 2.27 | 1.91 |
| Other temporary difference | 0.01 | |
| Total (a) | 5.57 | 5.47 |
| Deferred tax liability: | | |
| FVTPL on financial instrument | 15.92 | 9.33 |
| Other temporary difference | - | 0.02 |
| Total (b) | 15.92 | 9.35 |
| Net deferred tax asset/(liability) (a -b) | (10.35) | (3.88) |

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| Deferred tax asset: | | |
| Provision for employee benefits | 0.13 | 6.44 |
| ROU asset adjustment | 0.14 | (0.00) |
| Depreciation on fixed assets | (0.36) | (0.03) |
| Total (a) | (0.11) | 6.41 |
| Deferred tax liability: | | |
| Prepaid brokerage | - | - |
| FVTPL on financial instrument | (6.60) | (8.44) |
| Other temporary difference | 0.02 | 0.00 |
| Total (b) | (6.58) | (8.44) |
| Net deferred tax asset/(liability) (a -b) | 6.47 | 14.85 |

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

Rs. In crores

| Particulars | As at March 31 2023 | Movement to Profit and loss and OCI | As at March 31 2022 |
|--------------------------------------------------|------------------------|----------------------------------------|------------------------|
| Deferred tax asset: | | | |
| Provision for employee benefits | 2.83 | 0.12 | 2.96 |
| ROU asset adjustment | 0.46 | 0.14 | 0.60 |
| Depreciation on fixed assets | 2.28 | (0.36) | 1.91 |
| Total (a) | 5.57 | (0.10) | 5.47 |
| Deferred tax liability: | | | |
| Prepaid brokerage | - | - | - |
| FVTPL on financial instrument | 15.92 | (6.60) | 9.33 |
| Other temporary difference | - | 0.02 | 0.02 |
| Total (b) | 15.92 | (6.58) | 9.35 |
| Net deferred tax asset/(liability) (a -b) | (10.35) | 6.48 | (3.88) |

34 Intangible Asset Under development

Rs. In crores

| Particulars | For the year March 31 2023 | For the year March 31 2022 |
|-------------------------------|-------------------------------|-------------------------------|
| Project in progress | 2.18 | 0.20 |
| Project temporarily suspended | - | - |
| Total | 2.18 | 0.20 |

Ageing schedule

Rs. In crores

| Particulars | For the year March 31 2023 | For the year March 31 2022 |
|---------------------|-------------------------------|-------------------------------|
| • Less than 1 year | 1.98 | 0.20 |
| • 1-2 years | 0.20 | - |
| • 2-3 years | - | - |
| • More than 3 years | - | - |
| Total | 2.18 | 0.20 |

35 Fair Value Measurement
Financial Instruments by category

Rs. In crores

| Particulars | As at March 31 2023 | | | |
|----------------------------------|---------------------|---------------------------|---------------------------|----------------|
| | Carrying Value | Fair Value | | |
| | | Fair Value Through P&L | Fair Value Through OCI | Amortized cost |
| Financial Assets: | | | | |
| Cash and Cash equivalent | 2.98 | - | - | 2.98 |
| Receivables | 71.66 | - | - | 71.66 |
| Investments | | | | |
| Mutual fund | 1,240.59 | 1,311.10 | - | - |
| Alternate Investment Fund | 52.47 | 61.88 | - | - |
| Equity Instrument | 9.08 | 9.26 | - | 40.80 |
| Other Financial Assets | 3.17 | - | - | 3.17 |
| Total Financial Assets | 1,379.95 | 1,382.24 | - | 118.61 |
| Financial Liability: | | | | |
| Trade and other payable | 33.53 | - | - | 33.53 |
| Long term borrowings | 1.02 | - | - | 1.02 |
| Other financial Liabilities | 19.29 | - | - | 19.29 |
| Total Financial Liability | 53.84 | - | - | 53.84 |

Rs. In crores

| Particulars | As at March 31 2022 | | | |
|---------------------------|---------------------|---------------------------|---------------------------|----------------|
| | Carrying Value | Fair Value | | |
| | | Fair Value Through P&L | Fair Value Through OCI | Amortized cost |
| Financial Assets: | | | | |
| Cash and Cash equivalent | 0.81 | - | - | 0.81 |
| Receivables | 93.42 | - | - | 93.42 |
| Investments | | | | |
| Mutual fund | 894.64 | 943.37 | - | - |
| Alternate Investment Fund | 37.82 | 48.04 | - | - |

| | | | | |
|----------------------------------|-----------------|-----------------|---|--------------|
| Equity Instrument | 9.08 | 9.31 | - | - |
| Other Financial Assets | 2.97 | - | - | 2.97 |
| Total Financial Assets | 1,038.75 | 1,000.72 | - | 97.20 |
| Financial Liability: | | | | |
| Trade and other payable | 22.02 | - | - | 22.02 |
| Long term borrowings | 0.82 | - | - | 0.82 |
| Other financial Liabilities | 14.47 | - | - | 14.47 |
| Total Financial Liability | 37.31 | - | - | 37.31 |

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

- recognised and measured at fair value and
- 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. In crores

| Particulars | Date of valuation | As at March 31 2023 | | | |
|-------------------------------|-------------------|---------------------|--------------|--------------|-----------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets: | | | | | |
| Investments at FVTPL | | | | | |
| Mutual fund | March 31 2023 | 1,311.10 | - | - | 1,311.10 |
| Alternative Investment Fund | March 31 2023 | - | 38.39 | 23.49 | 61.88 |
| Equity Instrument | March 31 2023 | - | - | 9.26 | 9.26 |
| Total Financial Assets | - | 1,311.10 | 38.39 | 32.75 | 1,382.24 |

Rs. In crores

| Particulars | Date of valuation | As at March 31 2022 | | | |
|-------------------------------|-------------------|---------------------|--------------|--------------|-----------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets: | | | | | |
| Investments at FVTPL | | | | | |
| Mutual fund | March 31 2022 | 943.37 | - | - | 943.37 |
| Alternative Investment Fund | March 31 2022 | - | 34.22 | 13.82 | 48.04 |
| Equity Instrument | March 31 2022 | - | - | 9.31 | 9.31 |
| Total Financial Assets | - | 943.37 | 34.22 | 23.13 | 1,000.72 |

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 unobservable inputs.

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. |
| Equity Instrument | Equity share of MF Utilities India Private Limited and AMC repo clearing limited is valued at book value of the share based on audited financials as on 31st March 2022. |
| Alternative Investment Funds | Net Asset Value (NAV) provided by issuer fund which are arrived at based on valuation from independent valuer for unlisted portfolio companies and price of recent investments. |

Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022.

Rs. In crores

| Particulars | Alternative Investment Fund | Equity Instrument |
|------------------------------------------|-----------------------------|-------------------|
| As at April 1, 2021 | 12.32 | 0.22 |
| Acquisitions | 5.74 | 9.03 |
| Disposals | (4.31) | - |
| Gain/(losses) recognised profit and loss | 0.07 | 0.06 |
| As at March 31, 2022 | 13.82 | 9.31 |
| Acquisitions | 14.77 | - |
| Disposals | (3.65) | - |
| Gain/(losses) recognised profit and loss | (1.45) | (0.05) |
| As at March 31, 2023 | 23.49 | 9.26 |

Valuation Inputs and relationships to fair value

Rs. In crores

| Particulars | Fair value | |
|-----------------------------|---------------------|---------------------|
| | As at March 31 2023 | As at March 31 2022 |
| Alternative Investment Fund | 23.49 | 13.82 |

Rs. In crores

| Particulars | Sensitivity | |
|-----------------------------|---------------------|---------------------|
| | As at March 31 2023 | As at March 31 2022 |
| Alternative Investment Fund | | |
| - NAV - Increased by 5% | 1.17 | 0.69 |
| - NAV - decreased by 5% | (1.17) | (0.69) |

Valuation Process

Valuation of Alternate Investment fund units are done by an independent third party valuation firm during the year

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies (including alternative investment funds) on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

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 financial risk management policy is set by the Risk management committee.

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 measured at amortised cost |
| Market Risk- Foreign Exchange | Recognised financial assets not denominated in Rs. |
| Market Risk- Price | Investments in equity securities, units of mutual funds, debt securities and alternative investment 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 financial loss to the company. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company has well defined investment policy restricting investments in various risk categories such as high/moderate etc.

Market Risk- Foreign exchange

The Company has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Rs. In crores

| Particulars | As at March 31 2023 | As at March 31 2022 |
|----------------------------|---------------------|---------------------|
| USD Rate - Increased by 5% | (0.35) | (0.34) |
| USD Rate - decreased by 5% | 0.35 | 0.34 |
| AUD Rate - Increased by 5% | 0.04 | 0.04 |
| AUD Rate - decreased by 5% | (0.04) | (0.04) |
| GBP Rate - Increased by 5% | 0.00 | 0.00 |
| GBP Rate - Increased by 5% | (0.00) | (0.00) |

Market Risk- Price

The company's exposure to mutual fund and Alternate investment fund price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss Company's investments are units of mutual funds, debt securities and alternative investment funds, consequently, exposes to risk of fluctuation in the market price. Market price of such instrument are closely linked to movement in equity and bond market indices.

Rs. In crores

| Particulars | As at March 31 2023 | As at March 31 2022 |
|-----------------------|---------------------|---------------------|
| NAV - Increased by 5% | 68.65 | 49.57 |
| NAV - decreased by 5% | (68.65) | (49.57) |

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains sufficient bank balance and marketable securities such as liquid fund of mutual fund.

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

| Particulars | As on 31st March 2023 | | | As on 31st March 2022 | | |
|--------------------------------------|-----------------------|-----------------|-----------------|-----------------------|-----------------|-----------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Assets | | | | | | |
| Financial Asset | | | | | | |
| Cash and cash equivalents | 2.98 | - | 2.98 | 0.81 | - | 0.81 |
| Receivables | | | | | | |
| (i) Trade Receivables | 71.66 | - | 71.66 | 93.42 | - | 93.42 |
| (ii) Other Receivables | - | - | - | - | - | - |
| Investments | 361.07 | 1,061.97 | 1,423.04 | 136.34 | 864.38 | 1,000.72 |
| Other Financial Asset | 0.15 | 3.01 | 3.17 | 2.75 | 0.22 | 2.97 |
| Total Financial Asset | 435.86 | 1,064.98 | 1,500.85 | 233.32 | 864.60 | 1,097.92 |
| Non Financial Asset | | | | | | |
| Current tax Assets (Net) | 20.09 | - | 20.09 | 23.48 | - | 23.48 |
| Deferred tax Assets (Net) | - | - | - | - | - | - |
| Property, Plant and Equipment | - | 30.41 | 30.41 | - | 22.69 | 22.69 |
| Intangible assets | - | 2.24 | 2.24 | - | 5.51 | 5.51 |
| Intangible assets under development | - | 2.18 | 2.18 | - | 0.20 | 0.20 |
| Other non-financial assets | 32.38 | 92.84 | 125.22 | 34.49 | 50.29 | 84.78 |
| Total Non Financial Asset | 52.47 | 127.68 | 180.14 | 57.97 | 78.69 | 136.66 |
| Total Assets | 488.33 | 1,192.66 | 1,680.99 | 291.29 | 943.29 | 1,234.58 |
| Liabilities | | | | | | |
| Trade Payables | 33.53 | - | 33.53 | 22.02 | - | 22.02 |
| Long term borrowing | 0.61 | 0.40 | 1.02 | 0.26 | 0.56 | 0.82 |
| Other financial liabilities | 7.19 | 12.10 | 19.29 | 7.31 | 7.16 | 14.47 |
| Total Financial Liability | 41.33 | 12.51 | 53.84 | 29.59 | 7.72 | 37.31 |
| Non Financial Liabilities | | | | | | |
| Provision | 78.09 | - | 78.09 | 85.86 | - | 85.86 |
| Deferred tax liability (Net) | 10.35 | - | 10.35 | 3.88 | - | 3.88 |
| Other non-financial liabilities | 29.80 | - | 29.80 | 28.58 | - | 28.58 |
| Total Non Financial Liability | 118.24 | - | 118.24 | 118.32 | - | 118.32 |
| Total Liabilities | 159.57 | 12.51 | 172.08 | 147.91 | 7.72 | 155.63 |

37 Lease
Lease liability

Rs. In crores

| Particulars | Amount Rs. |
|----------------------------|--------------|
| As at 01 April 2021 | 21.17 |
| Additions | 3.11 |
| Accretion of interest | 1.50 |
| Payments | (11.31) |
| As at 01 April 2022 | 14.47 |
| Additions | 14.50 |
| Accretion of interest | 1.58 |
| Payments | (11.25) |
| As at 31 March 2023 | 19.29 |
| Current | 7.19 |
| Non-current | 12.10 |

Rs. In crores

| Particulars | March 31, 2023 | March 31, 2022 |
|-----------------------------------------------------------------------------|----------------|----------------|
| Depreciation expense of right-of-use assets | 9.36 | 8.76 |
| Interest expense on lease liabilities | 1.58 | 1.50 |
| 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 | 10.94 | 10.26 |

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.

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.

39 Related party transactions

The related parties of the Company are as follows:

| | | |
|----|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A) | Holding Company | : Axis Bank Limited |
| B) | Subsidiary Company | : Axis Pension Fund Management Limited |
| C) | Fellow Subsidiaries | : Axis Securities Limited : Axis Trustee Services Limited : Freecharge Payment Technologies Pvt. Ltd |
| D) | Significant Share Holder | : Schroder Singapore Holdings Private Limited (SSHPL) is a wholly owned subsidiary of Schroder Investment Management (Singapore) Limited (SIMSL) |
| E) | Fellow subsidiaries of significant Share Holder - SIMSL | : Schroders Investment Management Limited : Schroder Investment Management Luxembourg S.A. : Schroder Investment Management Australia Limited : Schroder Unit Trusts Limited : Schroder Investment Management(Singapore) Ltd." |
| F) | Key Management Personnel | : Mr. Chandresh Kumar Nigam (MD & CEO) |
| G) | Directors | : Ms. Sonia singh : Mr. Shailendra Bhandari : Mr. V. Anantharaman : Mr. Ravindra B Garikipati |

| Sr. No. | Name of Related Party | Description of Transactions/ Categories | Transaction | | Balance | |
|--------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| | | | For the year ended Mar 31, 2023 | For the year ended Mar 31, 2022 | Outstanding amount carried to Balance Sheet as at 31st March 23 | Outstanding amount carried to Balance Sheet as at 31st March 22 |
| 1 | Axis Bank Limited | Operations related expenses\$ | 21.13 | 35.92 | 5.31 | 3.02 |
| | | Miscellaneous Expenses | 0.00 | 0.00 | - | - |
| | | Rent | 3.67 | 3.21 | - | - |
| | | Outsourced Services Cost | 0.36 | 0.13 | - | - |
| | | Establishment Expenses | 1.54 | 1.45 | 0.45 | 0.36 |
| | | Administrative & Other Expenses | 3.74 | 3.69 | 0.17 | 0.30 |
| | | Investor Compensation (Receivable) | -0.00 | - | -0.00 | - |
| | | Car Loan Interest | 0.07 | 0.05 | - | - |
| | | Reimbursement of ESOP cost | 17.12 | 16.83 | 0.29 | - |
| | | Reimbursement of TDS on ESOP * | - | - | - | - |
| | | Current account balance as per book (Balance with Axis Bank is Rs.2.97 crs (Previous year Rs.0.81 crs)). | - | - | 2.97 | 0.81 |
| | | Equity Share Capital contribution: | - | - | 157.58 | 157.58 |
| | | Contribution to Share Premium a/c | - | - | 21.67 | 21.67 |
| Secured Loan | 0.20 | 0.31 | 1.02 | 0.82 | | |
| 2 | Schroder Investment Management (Singapore) Ltd. | Offshore Advisory fees Income/Receivable | 29.45 | 21.11 | 2.44 | 2.73 |
| 3 | Schroder Investment Management Australia Limited | Offshore Advisory fees Income/Receivable | 2.59 | 2.79 | 0.61 | 0.73 |
| 4 | Schroder Unit Trusts Limited | Offshore Advisory fees Income/Receivable | 0.74 | 0.95 | 0.06 | 0.08 |
| 5 | Schroder Investment Management Ltd | Offshore Advisory fees Expense / Payable | 5.25 | 4.00 | 5.25 | 4.00 |

| | | | | | | |
|----|-------------------------------------------------|--------------------------------------------------------|-------|-------|-------|-------|
| 6 | Schroder Investment Management (Singapore) Ltd. | Offshore Advisory fees Expense / Payable | 4.09 | 5.55 | 4.09 | 5.55 |
| 7 | Schroder Singapore Holdings Private Ltd. | Equity Share Capital contribution: | - | - | 52.53 | 52.53 |
| | | Contribution to Share Premium a/c | - | - | 7.22 | 7.22 |
| 8 | Axis Securities Ltd. | Operations related expenses\$ | 0.02 | 0.18 | - | 0.22 |
| 9 | Axis Trustee Services Limited | One time acceptance fees for AIF | - | 0.02 | - | - |
| 10 | Freecharge Payment Technology Pvt. Ltd. | Deputation Cost | 1.11 | - | 0.26 | - |
| 11 | Axis Pension Fund Management Limited | Reimbursement of the company formation and set up cost | 1.99 | - | - | - |
| | | Staff Medclaim cost | 0.14 | - | - | - |
| | | Investment in Share Capital | 40.80 | - | - | - |
| 12 | Mrs. Sonia Singh | Sitting Fees | 0.13 | 0.08 | - | 0.00 |
| 13 | Mr. Shailendra Bhandari | Sitting Fees | 0.18 | 0.11 | 0.01 | 0.00 |
| 14 | Mr. V. Anantharaman | Sitting Fees | 0.23 | 0.11 | 0.01 | 0.00 |
| 15 | Mr. Ravindra B Garikipati | Sitting Fees | 0.24 | 0.14 | 0.01 | 0.00 |
| 16 | Mr. Chandresh Kumar Nigam (MD & CEO) | Remuneration to Key Managerial Personnel** | 2.78 | 17.80 | - | - |

\$ Note:- Total Brokerage Paid/Payable during the year Apr'22 to Mar'23 for Axis Bank Limited is Rs.25.58 crs (Previous year - Rs.24.69 crs) and for Axis Securities Limited is NIL (Previous year is 0.18 crs)

**Includes Basic, HRA, Performance bonus & other allowances & excluding provision for gratuity, Provident fund and compensated absences. Performance bonus and Long term incentive plan are included on payment basis.

* Note:- Axis Bank Ltd had granted ESOPs to certain employees of company. TDS on ESOPs perquisites of Rs.3.03 crs (Previous year Rs.0.32 crs) is routed through the company for payment into government treasury.

#Note:- Administrative & Other Expenses includes 0.51 crs (Previous Year Rs.0.31 crs) recovered from Employees during the year Apr'22 to Mar'23 towards Term Life Insurance Premium.

40 Disclosure of ratios

| Sr. No. | Ratio | Numerator | Denominator | As on 31st March 2023 | As on 31st March 2022 | % change | Reason for variance |
|---------|------------------------|-----------------------------------------------|------------------------------|-----------------------|-----------------------|----------|-----------------------------------------------------------------------------|
| 1 | Current ratio | Current Assets | Current Liabilities | 3.06 | 1.97 | 55.39 | Ratio has increased due to investment in liquid funds |
| 2 | Return on Equity ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 33.19% | 45.39% | -26.87 | Decrease is due to nominal increase in profits as compared to previous year |
| 3 | Net Profit ratio | Net Profits after taxes | Total Income | 41.92 | 42.94 | -2.36 | - |

41 Capital Management

The management of Axis Asset Management Company Limited ("the Company") had proactively conducted a suo moto internal investigation through independent external advisors with respect to certain allegations of potential irregularities relating to the conduct of certain personnel of the Company. The findings of the investigation involve inter alia potential securities law violations by two (former) employees of the Company during the course of their employment.

The Company has taken appropriate action against concerned employees including the above mentioned two employees whose services have been terminated. The management of the Company has also submitted details of its findings and disciplinary action taken, to regulatory authorities and is cooperating with them as required from time to time. Further, pursuant to its independent investigation, SEBI has on February 28, 2023 passed an ad interim ex parte order-cum-show-cause notice ("Interim Order") against inter alia one of these former employees. Neither the Company nor any of its existing officers/ employees have been named as noticees in the Interim Order, nor any directions have been passed against them in the Interim Order.

Further, one of the employees of the Company, whose employment was terminated, has challenged his termination and filed a financial claim against the Company in the Bombay High Court and the matter is yet to be heard.

Based on information available as on the date, pursuant to the investigation, the management and Board of the Company have assessed that there is no impact on the financial statements of the Company for the twelve months period ended March 31, 2023 or earlier periods.

42 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 funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends to be paid to the shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

43 Expenditure and Earning in foreign currency

Additional information pursuant to the provisions of Schedule III to the Companies Act,2013 is given below:

Earning in foreign currency

Rs. In crores

| Particulars | For the year March 31,2023 | For the year March 31,2022 |
|---------------|-------------------------------|-------------------------------|
| Advisory Fees | 32.96 | 25.08 |
| | 32.96 | 25.08 |

Expenditure in foreign currency (on accrual basis)

Rs. In crores

| Particulars | For the year March 31,2023 | For the year March 31,2022 |
|----------------------------------|-------------------------------|-------------------------------|
| Operational expenses | 9.47 | 9.88 |
| Employee Benefit expenses | 0.35 | 0.04 |
| Marketing Expense | - | 0.63 |
| Computer & Software related cost | 0.44 | 0.30 |
| IT-Related Cost | 0.35 | 0.14 |
| Legal & Professional expenses | 0.19 | 0.26 |
| Total | 10.81 | 11.25 |

Unhedged foreign currency exposure:

Rs. In crores

| | As at March 31,2023 | | As at March 31,2022 | |
|----------------------------------|---------------------|---------|---------------------|---------|
| | Foreign Currency | Rs. Crs | Foreign currency | Rs. Crs |
| Advisory fees receivables | | | | |
| USD | 2,96,688 | 2.44 | 3,59,378 | 2.73 |
| AUD | 110766 | 0.61 | 1,38,598 | 0.79 |
| GBP | 5,797 | 0.06 | 7,778 | 0.08 |
| Advisory fees Payable | | | | |
| USD | 11,36,177 | 9.34 | 12,59,091 | 9.56 |

44 The previous period/year figures have been regrouped/reclassified wherever necessary to conform to current period's/year presentation.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

For and on behalf of the Board

Sd/-

Jayesh Gandhi

Partner

Membership No.037924

Mumbai.

April 17, 2023

Sd/-

V. Anantharaman

Director

DIN: 01223191

Sd/-

Gopal Menon

COO & CFO

Mumbai.

April 17, 2023

Sd/-

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Sd/-

Lalit Taparia

Company Secretary

CONSOLIDATED ANNUAL REPORT

2022-2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Asset Management Company Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of Axis Asset Management Company Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including the consolidated statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, its consolidated profit including consolidated other comprehensive income, its consolidated cash flows and the changes in consolidated equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note 41 of the consolidated Ind AS financial statements which describes investigation by the Holding Company on matters pertaining to the Schemes of Mutual Fund managed by the Holding Company. Based on the investigation till date, management has identified: (i) certain non-compliances with policies of the Holding Company; and (ii) potential securities law violation by two former employees during the course of their employment. Pending final outcome of the regulatory investigation by the Securities and Exchange Board of India, the impact, if any, on the consolidated Ind AS financial statements is not ascertainable.

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

Information Other than the consolidated Ind AS Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matter

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs 75.00 crore as at March 31, 2023, and total revenues of Rs 3.55 crore and net cash outflows of Rs 20.06 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditor have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) In our opinion, the adverse effect, if any, on the functioning of the Company in respect of matters described in the Basis for Qualified Opinion paragraph above, is presently not ascertainable.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditor of the subsidiary, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 24 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary, incorporated in India during the year ended March 31, 2023.
 - iv.
 - a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively 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 Holding Company or by the subsidiary or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. No dividend has been declared or paid during the year by the Company and hence no reporting is required on compliance of section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Jayesh Gandhi
Partner
Membership Number: 037924
UDIN: 23037924BGXTZG5292
Place of Signature: Mumbai
Date: April 17, 2023

ANNEXURE - 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Axis Asset Management Company Limited (“the company”)

(xxi) There are no qualifications or adverse remarks by the respective auditor in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 23037924BGXTZG5292

Place of Signature: Mumbai

Date: April 17, 2023

ANNEXURE - 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AXIS ASSET MANAGEMENT COMPANY LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Axis Asset Management Company Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S.R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Jayesh Gandhi

Partner

Membership Number: 037924

UDIN: 23037924BGXTZG5292

Place of Signature: Mumbai

Date: April 17, 2023

Consolidated Balance Sheet as at March 31, 2023

Rs. In crores

| Particulars | Note No | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------------------------------------------------|---------|----------------------|----------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 4 | 3.18 | 0.81 |
| Receivables | | | |
| (i) Trade receivables | 5 | 71.68 | 93.42 |
| (ii) Other receivables | | - | - |
| Investments | 6 | 1,441.06 | 1,000.72 |
| Other financial assets | 7 | 13.95 | 2.97 |
| Total financial assets | | 1,529.87 | 1,097.92 |
| Non financial assets | | | |
| Current tax assets (Net) | 8 | 20.15 | 23.48 |
| Property, plant and equipment | 9 | 33.93 | 22.69 |
| Intangible assets | 9 | 2.88 | 5.51 |
| Intangible assets under development | 35 | 2.18 | 0.20 |
| Other non-financial assets | 10 | 126.19 | 84.78 |
| Total non financial assets | | 185.33 | 136.66 |
| Total assets | | 1,715.20 | 1,234.58 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 11 | 0.04 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 11 | 33.65 | 22.02 |
| Long term borrowing | 12 | 1.02 | 0.82 |
| Other financial liabilities | 13 | 20.66 | 14.47 |
| Total financial liability | | 55.37 | 37.31 |
| Non financial liabilities | | | |
| Provisions | 14 | 80.86 | 85.86 |
| Deferred tax liability (Net) | 34 | 10.35 | 3.88 |
| Other non-financial liabilities | 15 | 30.19 | 28.58 |
| Total non financial liabilities | | 121.40 | 118.32 |
| Equity | | | |
| Equity share capital | 16 | 210.11 | 210.11 |
| Other equity | 17 | | |
| - Security premium | | 28.89 | 28.89 |
| - Share option outstanding | | - | - |
| - Retained Earning | | 1,264.98 | 839.95 |
| Equity Attributable to Owners of the Parent | | 1,503.98 | 1,078.95 |
| Non Controlling Interests | | 34.45 | |
| Total Equity | | 1,538.43 | 1,078.95 |
| Total liabilities and equity | | 1,715.20 | 1,234.58 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

For Axis Asset Management Company Limited

Sd/-
Jayesh Gandhi
Partner
Membership No.037924
Mumbai.

April 17, 2023

Sd/-
V. Anantharaman
Director
DIN: 01223191

Sd/-
Gopal Menon
COO & CFO
Mumbai.
April 17, 2023

Sd/-
Chandresh Kumar Nigam
Managing Director & CEO
DIN: 00498968

Sd/-
Lalit Taparia
Company Secretary

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

Rs. In crores

| Particulars | Note No | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------------------------------|-----------|------------------------------|------------------------------|
| Income | | | |
| Asset management services | 18 | 984.13 | 893.66 |
| Net gain on fair value changes | 19 | 39.87 | 40.06 |
| Revenue from operations | | 1,024.00 | 933.72 |
| Other income | 20 | 4.08 | 3.01 |
| Total Income | | 1,028.08 | 936.73 |
| Expenses | | | |
| Finance cost | 21 | 1.77 | 1.55 |
| Employee benefits expenses | 22 | 202.35 | 187.43 |
| Depreciation and amortization expense | 9 | 19.72 | 17.64 |
| Other expenses | 23 | 235.62 | 198.08 |
| Total expenses | | 459.46 | 404.70 |
| Profit before tax | | 568.62 | 532.03 |
| Tax expense | | | |
| Current tax | 34 | 142.49 | 114.80 |
| Deferred tax | 34 | 6.31 | 15.03 |
| Total tax expense | | 148.80 | 129.83 |
| Profit after tax | | 419.82 | 402.20 |
| Other comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | | | |
| - Remeasurement gains/ (losses) of the defined benefit plans | | 0.63 | (0.71) |
| - Income tax relating effect | | (0.16) | 0.17 |
| Total other comprehensive Income | | 0.47 | (0.54) |
| Total comprehensive income | | 420.29 | 401.66 |
| Profit for the Year Attributable to | | | |
| -Owners of the Company | | 424.56 | - |
| -Non-Controlling Interests | | (4.74) | - |
| Other Comprehensive Income for the year Attributable to | | | |
| -Owners of the Company | | 0.47 | - |
| -Non-Controlling Interests | | - | - |
| Total Comprehensive Income | | | |
| -Owners of the Company | | 425.03 | - |
| -Non-Controlling Interests | | (4.74) | - |
| Earnings per equity share (Face value Rs 10/-) | 33 | | |
| - Basic | | 20.21 | 19.14 |
| - Diluted | | 20.21 | 19.14 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

For Axis Asset Management Company Limited

Sd/-

Jayesh Gandhi

Partner

Membership No.037924

Mumbai.

April 17, 2023

Sd/-

V. Anantharaman

Director

DIN: 01223191

Sd/-

Gopal Menon

COO & CFO

Mumbai

April 17, 2023

Sd/-

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Sd/-

Lalit Taparia

Company Secretary

Consolidated Cash flow statement for the year ended March 31, 2023

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| A. Cash Flow from Operating Activities | | |
| Profit Before Tax | 568.61 | 532.03 |
| Add / (Less) : Adjustments for | | |
| Depreciation, amortisation and impairment | 19.72 | 17.64 |
| Employee stock option charge | - | 16.83 |
| (Profit) / Loss on sale of investments (net) | (17.45) | (2.64) |
| Fair value (Gain) / Loss on investments | (22.41) | (37.42) |
| Net (Gain) / Loss on foreign currency transactions and translations | - | - |
| (Profit)/loss on sale of property plant and equipment (net) | (0.05) | (0.00) |
| Other interest income | - | - |
| Operating profit before working capital changes | 548.42 | 526.44 |
| Adjustments for: | | |
| (Increase) / Decrease in trade Receivables | 21.75 | (5.89) |
| (Increase) / Decrease in other Financial Assets | (10.98) | (0.31) |
| (Increase) / Decrease in other Non-Financial Assets | (41.42) | (26.05) |
| Increase / (Decrease) in trade Payable | 11.67 | 13.46 |
| Increase / (Decrease) in other Financial Liabilities | (10.37) | (39.57) |
| Increase / (Decrease) in provisions | (4.38) | (20.94) |
| Increase / (Decrease) in other Non-Financial Liabilities | 1.61 | 6.95 |
| Cash generated from operations | 516.30 | 454.09 |
| Income tax paid | (139.16) | (126.21) |
| A. Net cash from operating activities | 377.14 | 327.88 |
| B. Cash Flow from Investing activities | | |
| Purchase of property, plant and equipment and other intangible assets | (13.88) | (12.86) |
| Proceeds from sale of property, plant and equipment and other intangible assets | 0.18 | 1.30 |
| Purchase of investments | (1,032.12) | (790.78) |
| Purchase of Non Current Investments | - | - |
| Proceeds from sale of investments | 631.64 | 474.63 |
| Dividend Received | - | - |
| Interest Received / (Paid) | - | - |
| B. Net cash from investing activities | (414.18) | (327.71) |
| C. Cash flow from financing activities | | |
| Increase / (Decrease) in Long term borrowing | 0.20 | 0.30 |
| Investment by Non-Controlling investor in subsidiary | 39.20 | - |
| Interim Equity Dividend Paid | - | - |
| Tax Paid on Interim Equity Dividend | - | - |
| C. Net cash from financing activities | 39.40 | 0.30 |
| Net increase / (Decrease) in cash and cash equivalents (A + B + C) | 2.37 | 0.47 |
| Cash and cash equivalents at the beginning of the period | 0.81 | 0.34 |
| Cash and cash equivalents at the end of the period | 3.18 | 0.81 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Sd/-

Jayesh Gandhi

Partner

Membership No.037924

Mumbai

April 17, 2023

For Axis Asset Management Company Limited

Sd/-

V. Anantharaman

Director

DIN: 01223191

Sd/-

Gopal Menon

COO & CFO

Mumbai.

April 17, 2023

Sd/-

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Sd/-

Lalit Taparia

Company Secretary

Consolidated Statement of changes in equity the year ended March 31,2023

| Equity share capital | | | | Rs. In crores |
|----------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------|--------------------------------|-----------------|
| Particulars | Balance at the beginning of the year | Changes in equity share capital during the year | Balance at the end of the year | |
| Equity shares of Rs 10 each (Dec 31,2022 Rs. 10 each),fully paid up | | | | |
| As at 31st March 2022 | 210.11 | - | 210.11 | |
| As at 31st March 2023 | 210.11 | - | 210.11 | |
| Other Equity | | | | Rs. In crores |
| | Security Premium | Share option Outstanding account | Retain Earning | Total |
| Balance as at 1st April 2021 | 28.89 | 16.02 | 438.29 | 483.20 |
| Employee stock options transfer to Other financial liabilities | - | (16.02) | - | (16.02) |
| Profit for the year | - | - | 402.20 | 402.20 |
| Other Comprehensive Income | - | - | (0.54) | (0.54) |
| Total Comprehensive Income | - | (16.02) | 401.66 | 385.64 |
| Balance as at 31st March 2022 | 28.89 | - | 839.95 | 868.83 |
| Balance as at 1st April 2022 | 28.89 | - | 839.95 | 868.84 |
| Employee stock options transfer to Other financial liabilities | - | - | - | - |
| Profit for the year | - | - | 424.56 | 424.56 |
| Other Comprehensive Income | - | - | 0.47 | 0.47 |
| Total Comprehensive Income | - | - | 425.03 | 425.03 |
| Balance as at 31st March 2023 | 28.89 | - | 1,264.98 | 1,293.87 |

The accompanying notes are integral part of these financial statements.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

For Axis Asset Management Company Limited

Sd/-
Jayesh Gandhi
Partner
Membership No.037924
Mumbai.

Sd/-
V. Anantharaman
Director
DIN: 01223191

Sd/-
Chandresh Kumar Nigam
Managing Director & CEO
DIN: 00498968

April 17, 2023

Sd/-
Gopal Menon
COO & CFO
Mumbai.
April 17, 2023

Sd/-
Lalit Taparia
Company Secretary

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 Asset Management Company Limited ('the Company') was incorporated on January 13, 2009 under The Companies Act, 1956. Axis Bank Limited holds 75% of the total issued and paid up equity share capital, the balance 25% plus one equity share is held by Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings Private Limited (SSHPL), both subsidiaries of Schroders plc. 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 approved by the Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996 to act as an Investment Manager. The Company's principal activity is to act as investment manager to Axis Mutual Fund ('the Fund'). The Company manages Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated June 27, 2009.

The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services (PMS). The Company is also registered under SEBI (Alternative Investment Funds) Regulations, 2012 and is providing an investment management service to scheme's launched under Alternative Investment Funds (AIF).

The financial statements were approved for issue in accordance with a resolution of the directors on 17th April 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. The Company's financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014, notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable (Previous GAAP).

Details of the Company's accounting policies are included in Note 3.

b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 37.

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 crores (INR 0000000), 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. |

2. Basis of consolidation

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiary. Control exists when the parent has power over the entity, is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary is consolidated from the date control commences until the date control ceases. The financial statements of the group companies are consolidated on line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests, which represent part of the net profit or loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded.

3. Significant accounting policy

3.1. 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.

3.2. 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. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

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.

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.

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.

3.3. 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:

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.

3.4. 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.

3.5. 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.

3.6. 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.

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 the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various

discounts and schemes offered by the Company as part of the contract. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

The Company principally generates revenue by providing asset management services to Axis Mutual fund and other clients.

Management fees are recognized on accrual basis. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from PMS, AIF and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

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).

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

3.7. Commission and operation expenses

Mutual fund

a) New fund offer expenses

Expenses relating to new fund offer of Axis Mutual Fund are charged to statement of Profit and Loss in the year in which they are incurred.

b) Commission

Claw-backable commission paid by the Company in advance are charged to the statement of Profit and Loss over the claw-back period/tenure of the respective scheme. The unamortized portion of the clawbackable commission is carried forward as prepaid expense.

Upfront commission on closed ended and fixed tenure schemes is amortized over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront commission is amortized over 3 years. The unamortized portion of the commission is carried forward as prepaid expense.

PMS and AIF commission

Commission paid on certain PMS products are amortized over the exit load period. Unamortized portion of commission is carried forward as prepaid expenses.

Commission paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the commission is carried forward as prepaid expense.

3.8. 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.

National Pension Scheme

National Pension Scheme ('NPS') In respect of employees who opt for contribution to the 'NPS', the Bank contributes certain percentage of the total basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

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.

Other Long term Benefit

Long Term Incentive plan (LTIP)

The company has initiated Axis AMC- Long Term Incentive plan. The points granted to employees as per the guidelines laid down in the plan, are encashable after they are held for a specified period as per the terms of the plan. Company accounts for the liability arising on points granted proportionately over the period from the date of grant till the end of the exercise window. The present value of the obligation under such plan is determined based on actuarial valuation.

Share based options

Certain eligible employee of the company are entitled for Axis Bank Limited ('Parent Company') share awards. The company recognizes the fair value of the shares and expenses for these plan over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

The above share awards are treated as an equity settled share based payment transaction. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognized as 'employee benefit expenses' with corresponding increase in liability as payable to holding company. The fair value of the options at the grant date is calculated by an independent valuer basis black scholes model.

3.9. 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.

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 insubstance 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 remeasured 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.

3.10. 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.

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.

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

3.12. Operating Segment

The Company is in the business of providing asset management services to the schemes of Axis Mutual Fund portfolio management service to clients Investment management services to AIF and offshore funds. The primary segment is identified as asset management services as all services are in relation to asset management, there is no separate segment identified.

3.13. Earning 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.

3.14. Foreign currency translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the recordings the transactions. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing rate on that date.

The exchange differences, if any, either on settlement or translation are recognized in statement of Profit and Loss.

| 4. Cash and cash equivalents | | Rs. In crores | |
|-----------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Balances with bank in - current account | 3.18 | 0.81 | |
| Cash on hand | - | - | |
| | 3.18 | 0.81 | |

| 5. Trade receivables | | Rs. In crores | |
|-------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Trade receivable-unsecured | 68.57 | 89.89 | |
| Receivable related parties | 3.11 | 3.53 | |
| Less: Allowance for impairment loss | - | - | |
| Total trade receivables | 71.68 | 93.42 | |

Trade receivable ageing schedule

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------------------------|------------------------------------------------------------|-------------------|-----------|-----------|------------------|--------------|
| | Less than 6 months | 6 months - 1 year | 1 -2 year | 2 -3 year | more than 3 year | |
| Undisputed Trade Receivables - considered good | 71.68 | - | - | - | - | 71.68 |
| | 71.68 | - | - | - | - | 71.68 |

As at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|------------------------------------------------|------------------------------------------------------------|-------------------|-------------|-------------|------------------|--------------|
| | Less than 6 months | 6 months - 1 year | 1 -2 year | 2 -3 year | more than 3 year | |
| Undisputed Trade Receivables - considered good | 93.39 | 0.01 | 0.01 | - | 0.01 | 93.42 |
| | 93.39 | 0.01 | 0.01 | 0.00 | 0.01 | 93.42 |

| 6. Investments | | Rs. In crores | |
|------------------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| At fair value through profit & loss | | | |
| Mutual fund | 1,369.92 | 943.37 | |
| Alternate Investment Fund | 61.88 | 48.04 | |
| Equity share | 9.26 | 9.31 | |
| Total gross investments | 1,441.06 | 1,000.72 | |
| Investments outside India | - | - | |
| Investments in India | 1,441.06 | 1,000.72 | |
| | 1,441.06 | 1,000.72 | |

| 7. Other financial assets | | Rs. In crores | |
|---------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Fixed Deposit | 10.75 | - | |
| Security deposits | 3.20 | 2.97 | |
| | 13.95 | 2.97 | |

| 8. Current tax assets | | Rs. In crores | |
|------------------------------------------------|----------------------|----------------------|--|
| Particulars | As at March 31, 2023 | As at March 31, 2022 | |
| Income tax paid in advance (Net of provisions) | 20.15 | 23.48 | |
| | 20.15 | 23.48 | |

9. Property, plant and equipment and intangible assets

Rs. In crores

| Particulars | Gross Block | | | Accumulated Depreciation | | | | Net Block | | | |
|---------------------------------------|---------------|--------------|--------------|--------------------------|---------------|----------------|--------------|----------------------|----------------------|----------------------|--------------|
| | April 1, 2022 | Additions | Deductions | As at March 31, 2023 | April 1, 2022 | For the Period | Deductions | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 | |
| Property plant & equipment | | | | | | | | | | | |
| Computers | 22.22 | 7.17 | 0.85 | 28.53 | 14.70 | 4.76 | 0.85 | 18.61 | 9.92 | 7.52 | |
| Furniture & fixtures | 1.42 | 0.16 | 0.03 | 1.55 | 0.86 | 0.11 | 0.02 | 0.95 | 0.60 | 0.56 | |
| Office equipments | 2.96 | 1.15 | 0.10 | 4.00 | 2.18 | 0.50 | 0.10 | 2.57 | 1.43 | 0.78 | |
| Leasehold improvements | 10.86 | 1.89 | 0.74 | 12.01 | 10.31 | 0.64 | 0.74 | 10.21 | 1.80 | 0.55 | |
| Vehicle(Car) * | 1.04 | 0.60 | 0.23 | 1.41 | 0.26 | 0.29 | 0.11 | 0.44 | 0.98 | 0.78 | |
| Right to use asset | - | - | - | - | - | - | - | - | - | - | |
| - Property | 36.21 | 17.41 | 10.46 | 43.15 | 23.86 | 9.77 | 9.61 | 24.01 | 19.14 | 12.35 | |
| - Vehicle (Car) | 0.46 | - | - | 0.46 | 0.31 | 0.09 | - | 0.40 | 0.06 | 0.15 | |
| a | 75.17 | 28.37 | 12.42 | 91.12 | 52.48 | 16.16 | 11.44 | 57.19 | 33.93 | 22.69 | |
| Intangible assets | | | | | | | | | | | |
| Software | 23.13 | 0.93 | - | 24.07 | 17.62 | 3.56 | - | 21.19 | 2.88 | 5.51 | |
| b | 23.13 | 0.93 | - | 24.07 | 17.62 | 3.56 | - | 21.19 | 2.88 | 5.51 | |
| Total | a+b | 98.30 | 29.31 | 12.42 | 115.19 | 70.10 | 19.72 | 11.44 | 78.38 | 36.81 | 28.20 |

| Particulars | Gross Block | | | Accumulated Depreciation | | | | Net Block | | | |
|---------------------------------------|---------------|--------------|--------------|--------------------------|---------------|--------------|--------------|----------------------|----------------------|----------------------|--------------|
| | April 1, 2021 | Additions | Deductions | As at March 31, 2022 | April 1, 2021 | For the year | Deductions | As at March 31, 2022 | As at March 31, 2022 | As at March 31, 2021 | |
| Property plant & equipment | | | | | | | | | | | |
| Computers | 15.95 | 6.30 | 0.03 | 22.22 | 11.21 | 3.52 | 0.03 | 14.70 | 7.52 | 4.74 | |
| Furniture & fixtures | 1.37 | 0.06 | 0.01 | 1.42 | 0.76 | 0.11 | 0.01 | 0.86 | 0.56 | 0.61 | |
| Office equipments | 2.70 | 0.28 | 0.02 | 2.96 | 1.85 | 0.35 | 0.02 | 2.18 | 0.78 | 0.85 | |
| Leasehold improvements | 10.19 | 0.67 | - | 10.86 | 9.73 | 0.58 | - | 10.31 | 0.55 | 0.46 | |
| Vehicle(Car) * | 0.58 | 0.46 | - | 1.04 | 0.09 | 0.17 | - | 0.26 | 0.78 | 0.49 | |
| Right to use asset | - | - | - | - | - | - | - | - | - | - | |
| - Property | 36.01 | 3.20 | 3.00 | 36.21 | 16.92 | 8.64 | 1.70 | 23.86 | 12.35 | 19.09 | |
| - Vehicle (Car) | 0.51 | - | 0.05 | 0.46 | 0.24 | 0.12 | 0.05 | 0.31 | 0.15 | 0.27 | |
| a | 67.31 | 10.97 | 3.11 | 75.17 | 40.80 | 13.49 | 1.81 | 52.48 | 22.69 | 26.51 | |
| Intangible assets | | | | | | | | | | | |
| Software | 20.74 | 2.39 | - | 23.13 | 13.48 | 4.14 | - | 17.62 | 5.51 | 7.26 | |
| b | 20.74 | 2.39 | - | 23.13 | 13.48 | 4.14 | - | 17.62 | 5.51 | 7.26 | |
| Total | a+b | 88.05 | 13.36 | 3.11 | 98.30 | 54.28 | 17.64 | 1.81 | 70.10 | 28.20 | 33.77 |

* Hypothecated with Axis bank

10. Other non-financial assets

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------|----------------------|----------------------|
| Capital advance | 0.20 | 0.12 |
| Prepaid expenses (Other) | 4.32 | 3.61 |
| Unamortized commission | 105.77 | 66.23 |
| Other Non-financial assets | 1.37 | 0.93 |
| Balances with statutory/ Government tax authorities | 14.53 | 13.89 |
| | 126.19 | 84.78 |

11. Trade payable

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------------------------------------------------|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 26) | 0.04 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 33.65 | 22.02 |
| - Related party | 15.88 | 13.46 |
| - Others | 17.81 | 8.56 |
| | 33.69 | 22.02 |

Trade payable ageing schedule

As at March 31, 2023

Rs. In crores

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------------------------------------------------------------------|------------------------------------------------------------|-------------|-----------|------------------|--------------|
| | Less than 1 year | 1 -2 year | 2 -3 year | more than 3 year | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 33.51 | 0.15 | - | - | 33.66 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | 0.03 | 0.03 |
| | 33.51 | 0.15 | - | 0.03 | 33.69 |

As at March 31, 2022

Rs. In crores

| Particulars | Outstanding for following periods from due date of payment | | | | |
|----------------------------------------------------------------------------------------|------------------------------------------------------------|-------------|-------------|------------------|--------------|
| | Less than 1 year | 1 -2 year | 2 -3 year | more than 3 year | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 21.94 | 0.02 | 0.03 | - | 21.99 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | 0.03 | 0.03 |
| | 21.94 | 0.02 | 0.03 | 0.03 | 22.02 |

12. Long term borrowing

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------|----------------------|----------------------|
| Vehical loan | | |
| - Related party | 1.02 | 0.82 |
| - Others | - | - |
| | 1.02 | 0.82 |

13. Other financial liabilities

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------|----------------------|----------------------|
| Lease liability | 20.66 | 14.47 |
| | 20.66 | 14.47 |

14. Provision

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------|----------------------|----------------------|
| Provision for employee benefits | | |
| - Provision for gratuity | 0.32 | 0.10 |
| - Provision for salaries and allowances | 62.30 | 72.92 |
| Other dues | 18.24 | 12.84 |
| | 80.86 | 85.86 |

15. Other non-financial liabilities

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------|----------------------|----------------------|
| Statutory dues | 29.09 | 27.73 |
| Employee benefit dues | 1.10 | 0.85 |
| | 30.19 | 28.58 |

16. Share capital

| Particulars | No. of Shares | Rs. In crores |
|------------------------------------------------------------------|---------------------|---------------|
| Authorized | | |
| Equity Shares, Rs 10/- each | | |
| As at March 31, 2022 | 21,50,00,000 | 215.00 |
| As at March 31, 2023 | 21,50,00,000 | 215.00 |
| 7.28% Redeemable non convertible Preference Shares, Rs 10/- each | | |
| As at March 31, 2022 | 3,00,00,000 | 30.00 |
| As at March 31, 2023 | 3,00,00,000 | 30.00 |
| Issued, subscribed and paid-up | | |
| Equity Shares, Rs 10/- each | | |
| As at March 31, 2022 | 21,01,11,112 | 210.11 |
| As at March 31, 2023 | 21,01,11,112 | 210.11 |

a. Terms/ rights attached to equity shares

The company has two class of shares referred to as equity shares and preference 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

| | Outstanding at the beginning of the year | Add: Shares issued during the year | Add: Bonus shares issued during the year | Outstanding at the end of the year |
|-------------------------------------|------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|
| | No of Shares | | | |
| Equity Shares, Rs. 10/- each | | | | |
| As at March 31, 2022 | 21,01,11,112 | - | - | 21,01,11,112 |
| As at March 31, 2023 | 21,01,11,112 | - | - | 21,01,11,112 |
| | Rs. In crores | | | |
| Equity Shares, Rs. 10/- each | | | | |
| As at March 31, 2022 | 210.11 | - | - | 210.11 |
| As at March 31, 2023 | 210.11 | - | - | 210.11 |

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

| | Axis Bank limited (holding company) and its nominees | | Schroder Singapore Holdings Private Limited | | Total | |
|-------------------------------------|------------------------------------------------------|------------|---------------------------------------------|------------|---------------------|-------------|
| | No of Shares | % Held | No of Shares | % Held | No of Shares | % Held |
| Equity Shares, Rs. 10/- each | | | | | | |
| As at March 31, 2022 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |
| As at March 31, 2023 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |

d. Details of shares held by promoters

| | Axis Bank limited (holding company) and its nominees | | Schroder Singapore Holdings Private Limited | | Total | |
|------------------------------------|------------------------------------------------------|------------|---------------------------------------------|------------|---------------------|-------------|
| | No of Shares | % Held | No of Shares | % Held | No of Shares | % Held |
| Equity Shares, Rs 10/- each | | | | | | |
| As at April 01, 2021 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |
| Change during the year | - | - | - | - | - | - |
| As at March 31, 2022 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |
| Change during the year | - | - | - | - | - | - |
| As at March 31, 2023 | 15,75,83,333 | 75% | 5,25,27,779 | 25% | 21,01,11,112 | 100% |

17. Other Equity

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------------------------------------|----------------------|----------------------|
| Securities premium reserve | | |
| Opening balance | 28.89 | 28.89 |
| Add/(less): Changes during the year | - | - |
| Fresh Issue of equity shares | - | - |
| Amount utilised for issue of bonus shares | - | - |
| Closing balance | 28.89 | 28.89 |
| Share based option outstanding account | | |
| Opening balance | - | 16.02 |
| Transfer to Other financial liabilities | - | -16.02 |
| Stock option expenses for the year | - | - |
| Less: Transferred to General Reserve | - | - |
| Closing balance | - | - |
| Surplus/(deficit) in statement of profit & loss | | |
| Opening balance | 839.95 | 438.29 |
| Add: Profit for the year | 424.56 | 402.20 |
| Add : Future lease rent liability and deferred tax on the same | - | - |
| Less : Appropriations | - | - |
| Dividend on equity shares | - | - |
| Tax on equity dividend | - | - |
| Add: Other comprehensive income | 0.47 | (0.54) |
| Closing balance | 1,264.98 | 839.95 |
| Total | 1,293.87 | 868.84 |

a) Securities premium:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b) Share based option outstanding account

Share base option outstanding account is used to recognise the grant date fair value of options issued to employees under Axis Bank Limited Employee stock option scheme (equity settled).

18. Fees and commission income

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---------------------------------------------------|------------------------------|------------------------------|
| Investment management fees (net of GST) | 869.55 | 778.98 |
| Investment advisory fees - offshore | 32.96 | 25.08 |
| Portfolio management fees & AIF fees (net of GST) | 81.62 | 89.60 |
| | 984.13 | 893.66 |

19. Net gain on fair value changes

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------------------|------------------------------|------------------------------|
| Net gain/(loss) on financial instruments at FVTPL | | |
| - On Investment | 39.87 | 40.06 |
| Total | 39.87 | 40.06 |
| Fair value changes | | |
| Realised | 17.45 | 2.64 |
| Unrealised | 22.42 | 37.42 |
| Total | 39.87 | 40.06 |

20. Other Income

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Profit on sale of fixed assets (net) | 0.05 | - |
| Interest on rental deposit | 0.26 | 0.25 |
| Miscellaneous income | 0.55 | 0.03 |
| Income on Investments | 3.22 | 2.73 |
| | 4.08 | 3.01 |

21. Finance cost

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------|------------------------------|------------------------------|
| Interest on lease liability | 1.69 | 1.50 |
| Interest on vehical loan | 0.08 | 0.05 |
| | 1.77 | 1.55 |

22. Employee benefits expense

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------------------------|------------------------------|------------------------------|
| Salaries,wages & allowances | 166.59 | 157.09 |
| Contribution to provident funds & other funds | 7.91 | 6.38 |
| Staff welfare expenses | 10.73 | 7.13 |
| Employee stock option charge (Refer note 28) | 17.12 | 16.83 |
| | 202.35 | 187.43 |

23. Other Expenses

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|----------------------------------------------------------------------------|------------------------------|------------------------------|
| Commissions & scheme related expenses (net of reversal provision) | 61.24 | 83.02 |
| Sales, marketing advertisement and publicity expenses | 38.40 | 39.77 |
| Rent | 0.73 | 0.44 |
| Rates and taxes | 0.26 | 0.17 |
| Premises brokerage | - | 0.09 |
| Establishment expenses | 8.23 | 7.43 |
| Communication expenses | 7.03 | 5.07 |
| Outsourced services cost | 15.01 | 14.93 |
| Legal expenses and professional fees | 32.07 | 6.25 |
| Travelling, lodging and conveyance | 3.88 | 1.70 |
| Computer and software related cost | 53.71 | 28.82 |
| Printing and stationery | 0.44 | 0.23 |
| Membership and subscriptions | 1.38 | 1.13 |
| Entertainment and business promotion | 1.87 | 1.71 |
| Auditors fees and expenses | 0.31 | 0.25 |
| - Other matters | - | - |
| Repairs and Maintenance | 1.53 | 2.19 |
| Directors sitting fees | 1.10 | 0.43 |
| Foreign exchange loss (net) | 0.72 | 0.38 |
| GST tax expenses | 0.17 | 0.14 |
| Loss on sale of assets | - | - |
| CSR Contribution as per section 135 of Companies Act, 2013 (Refer note 28) | 6.48 | 3.85 |
| Miscellaneous expenses | 1.09 | 0.08 |
| | 235.62 | 198.08 |

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

24 Contingent liabilities

Direct tax related matters Rs 7.16 crores (Previous year Rs.5.61 crores)

The company has carried out assesment of outstanding tax litigations as per the requirements of Ind AS 12 and considered the impact as remote, hence no provision and disclosure is considered necessary

25 Capital commitments

- Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided is Rs 1.83 crores (Previous year Rs 0.88 crores)
- Estimated Investment commitments by the company Rs. 61.86 crores(Previous year Rs 48.11 crores)

26 Trade payable

Sundry creditors do not include any 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. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Principal amount remaining unpaid to any supplier as at the year end | 0.04 | Nil |
| Interest due thereon | Nil | 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 | 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 | Nil |
| Amount of interest accrued and remaining unpaid at the end of the accounting year | Nil | Nil |

27 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. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-------------------------------------------|------------------------------|------------------------------|
| Employer's contribution to provident fund | 5.65 | 4.49 |

Defined benefit plans

The Company has a defined benefit gratuity plan (funded). 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:

Rs. In crores

| Particulars | As at March 31,2023 | | |
|--------------------------------------------------|--------------------------------|-----------------------------|---------------------------------|
| | Present value of obligation | Fair value of Plan Asset | Net Amount (asset)/liability |
| Opening Balance | 9.89 | 9.78 | 0.11 |
| Current Service cost | 1.70 | - | 1.70 |
| Interest on defined benefit obligation / Asset | 0.62 | 0.68 | (0.06) |
| (Gain)/Loss from change in Financial assumption | (0.34) | - | (0.34) |
| (Gain)/Loss from change in experience assumption | (0.72) | - | (0.72) |
| Transfer out | - | (0.43) | 0.43 |
| Employer contribution | - | 0.80 | (0.80) |
| Benefit payments | (2.10) | (2.10) | - |
| Return on Plan assets | - | - | - |
| Closing balance | 9.05 | 8.73 | 0.32 |

Rs. In crores

| Particulars | As at March 31,2022 | | |
|--------------------------------------------------|-----------------------------|--------------------------|------------------------------|
| | Present value of obligation | Fair value of Plan Asset | Net Amount (asset)/liability |
| Opening Balance | 7.33 | 6.63 | 0.70 |
| Current Service cost | 1.44 | - | 1.44 |
| Interest on defined benefit obligation / Asset | 0.38 | 0.40 | (0.02) |
| (Gain)/Loss from change in Financial assumption | (0.69) | - | (0.69) |
| (Gain)/Loss from change in experience assumption | 1.79 | - | 1.79 |
| Transfer out | - | 0.39 | (0.39) |
| Employer contribution | - | 2.72 | (2.72) |
| Benefit payments | (0.36) | (0.36) | - |
| Return on Plan assets | - | - | - |
| Closing balance | 9.89 | 9.78 | 0.11 |

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

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------|----------------------|----------------------|
| Present value of plan liability | 9.05 | 9.89 |
| Fair Value of plan assets | (8.73) | (9.79) |
| Net | 0.32 | 0.10 |

Expenses recognised in Profit and Loss

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------|----------------------|----------------------|
| Current Service Cost | 1.70 | 1.44 |
| Interest Cost on net DBO | (0.06) | (0.02) |
| Past Service Cost | - | - |
| Total P&L Expenses | 1.64 | 1.42 |

Expenses to recognised in Other comprehensive Income

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------|----------------------|----------------------|
| Actuarial Loss/(Gain) on DBO | (1.06) | 1.10 |
| Actuarial Loss/(Gain) | 0.43 | (0.39) |
| Total Re-measurements (OCI) | (0.63) | 0.71 |

Net defined benefit liability (asset) reconciliation

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------------------------------------|----------------------|----------------------|
| Net defined benefit liability (asset) | 0.11 | 0.70 |
| Defined benefit cost included in P&L | 1.70 | 1.42 |
| Total re-measurements included in OCI | (0.63) | 0.71 |
| Employer contributions | (0.80) | (2.72) |
| Employer direct benefit payments | | |
| Employer direct settlement payments | | |
| Net transfer | | |
| Net defined benefit liability (asset) as of end of period | 0.39 | 0.11 |

Actuarial assumptions

Rs. In crores

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------------------------------------|-------------------------------------------------------|
| Discount rate Current Year | 7.35% | 6.70% |
| Discount rate Previous Year | 6.70% | 5.58% |
| Salary increase rate | 11.00% | 11.00% |
| Attrition Rate | 15% (Manager & above) 20% (All Others) | 15% (Manager & above) 20% (All Others) |
| Retirement Age | 60 | 60 |
| Pre-retirement mortality | IALM (2012-14) | |
| Disability | Nil | Nil |

Sensitivity of liability

Rs. In crores

| Particulars | Change in assumption | As at March 31, 2023 | As at March 31, 2022 |
|----------------------|----------------------|----------------------|----------------------|
| Discount rate | +1% | 8.57 | 9.34 |
| Discount rate | -1% | 9.59 | 10.50 |
| Salary Increase Rate | +1% | 9.43 | 10.31 |
| Salary Increase Rate | -1% | 8.68 | 9.49 |
| Attrition Rate | +1% | 9.00 | 9.82 |
| Attrition Rate | -1% | 9.11 | 9.97 |

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:

Rs. In crores

| Expected cash flows for following year | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------|----------------------|----------------------|
| Expected employer contributions / Addl. Provision Next Year | 2.00 | 2.00 |
| Expected total benefit payments- | | |
| Year 1 | 1.48 | 1.39 |
| Year 2 | 1.25 | 1.38 |
| Year 3 | 1.16 | 1.33 |
| Year 4 | 1.12 | 1.23 |
| Year 5 | 1.22 | 1.23 |
| Next 5 years | 4.09 | 4.41 |

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.

28 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.

29 Employee stock option scheme (Equity settled)

During the year, the employee stock option scheme has been introduced by Axis Bank Limited by which the employees of the Company are eligible for share options of the Parent Company. As per the Scheme, certain options of parent company were granted. The vesting of the options is from expiry of one year till four years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.

Details of ESOS:

| Particulars | ESOS XXXI | ESOS XXV | ESOS XXV |
|---------------------------------------------------|-----------------|-----------------|---------------------|
| Date of Grant/intimation to employee | 25th April 2022 | 30th April 2021 | 01st September 2020 |
| Price of Underlying Stock on the date of grant Rs | 725.9 | 726.25 | 488.35 |
| Exercise / Strike Price Rs | 725.9 | 726.25 | 488.35 |

The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:

| | | | |
|------------------------------------------------------------|------------------|------------------|------------------|
| Risk Free Interest Rate | 5.46% to 6.21% | 4.82% to 5.67% | 5.79% to 6.20% |
| Expected Dividend Yield | 0.43% | 0.64% | 0.29% |
| Expected Life (years) | 2.95 to 4.95 | 2.28 to 4.28 | 2.28 to 4.28 |
| Expected Volatility | 30.98% to 33.02% | 31.12% to 33.44% | 29.72% to 30.19% |
| Weighted Average Fair Value Rs | 240.37 | 208.99 | 143.58 |
| Expected - Weighted average volatility | 30.98% to 33.02% | 31.12% to 33.44% | 29.72% to 30.19% |
| Weighted average remaining contractual life (no. of years) | 1.08 | 0.39 | - |

The weighted average share price for options exercised during the year under various Series/Grants was Rs. 861.87/-

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:

(As certified by the management)

| Particulars | No of Stock options as at March 31, 2023 | No of Stock options as at March 31, 2022 |
|------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------|
| Date of Grant/intimation to employee | 30th April 2019/01st September 2020/30th April 2021/25th April 2022 | 30th April 2019/01st September 2020/ 30th April 2021 |
| Outstanding at the beginning of the year | 23,45,903 | 13,92,953 |
| Granted / transfer during the year | 10,20,125 | 10,60,363 |
| Exercised during the year | (3,50,717) | (50,931) |
| Forfeited during the year | - | (56,482) |
| Lapsed/expired during the year | (3,60,049) | - |
| Outstanding at the end of the year | 26,55,262 | 23,45,903 |

The weighted average share price for options exercised during the year under various Series/Grants was Rs. 861.87/-

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. At the time of granting the option, no consideration has been received and the options will be vested upon the completion of the service over the vesting period. Vested options are exercisable for the period of five years after the vesting.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expense arising from employee stock option charge

Rs. In crores

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|-----------------------------------------------|---------------------------|---------------------------|
| Employee stock option scheme (equity settled) | 17.12 | 16.83 |

Axis Bank ("the Holding Company") had granted ESOP to certain employees of the Company during earlier and current financial years. During the year ended March 31, 2022, the Holding Company has decided to recover the cost of such options from the Company. Accordingly, liability of Rs. 16.83 crore has been created for the FY 2021-22 and the liability of Rs. 16.03 crore has been created for the earlier years charge from "Equity" as reversal of deemed contribution from the Holding Company.

30 Corporate Social Responsibility

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|----------------------------------------------------------|--------------------------|--------------------------|
| Gross amount required to be spent during the year | 6.48 | 3.85 |
| Amount approved by the board to be spent during the year | 6.48 | 3.85 |
| Amount Spent during the year | 6.48 | 3.85 |
| Unspent amount | - | - |

Details related to spent/ unspent obligation

| | | |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Contribution made to charitable trust | 6.48 | 3.85 |
| Nature of CSR activity | Sustainable Living Program | Sustainable Living Program |

31 Breakup of Auditors' remuneration

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|----------------|-----------------------------|-----------------------------|
| Audit fees | 0.19 | 0.15 |
| Limited review | 0.12 | 0.11 |
| Other matters | - | |
| Total | 0.31 | 0.25 |

32 Segment information

The Company is in the business of providing asset management services to the schemes of Axis Mutual Fund, portfolio management service to clients, Investment management services to AIF and offshore funds. The primary segment is identified as asset management services as all services are in relation to asset management, there is no separate segment identified.

33 Earnings Per Share
The numerators and denominators used to calculate basic and diluted earnings per share

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| (a) Nominal value of an Equity share (Rs) | 10 | 10 |
| (b) Net profit available to Equity shareholders (Rs) | 419.82 | 402.18 |
| (c) Weighted average number of shares outstanding | 21,01,11,112 | 21,01,11,112 |
| (d) Basic and Diluted EPS (Rs) = (b)/ (c) | 20.21 | 19.14 |

34 Income tax expenses
The components of income tax expense for the years ended March 31 2023 and March 31 2022 are:

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| Income tax expenses | | |
| Current tax on profit for the year | 139.42 | 117.30 |
| Adjustment in respect of current income tax of prior years | 3.07 | (2.50) |
| Total Current tax expenses | 142.49 | 114.80 |
| Deferred tax | 6.47 | 14.85 |

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 31, 2023 and March 31, 2022 is as follows:

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|-------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Profit before tax | 568.61 | 532.03 |
| Other comprehensive Income | 0.63 | (0.71) |
| Tax at corporate tax rate @ 25.168% (Previous year 25.168%) | 143.27 | 133.72 |
| Non -deductible expenses | | |
| ESOP of parent company | - | (4.04) |
| Corporate social responsibility expenses | 1.63 | 0.97 |
| One time rate change impact | - | - |
| Capital gain tax rate difference | 1.78 | (0.99) |
| Interest payable under income tax | - | 0.02 |
| Subsidiary deferred tax asset not recognise in books | 2.44 | - |
| Others | (0.16) | (0.04) |
| Total Net Non -deductible expenses | 5.69 | (4.08) |
| Income tax expenses at effective rate of 26.16 %(Previous year 24.55%) | 148.96 | 129.64 |

Deferred tax assets/liabilities

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

Rs. In crores

| Particulars | As at March 31 2023 | As at March 31 2022 |
|--------------------------------------------------|------------------------|------------------------|
| Deferred tax asset: | | |
| Provision for employee benefits | 2.83 | 2.96 |
| ROU asset adjustment | 0.46 | 0.60 |
| Depreciation on fixed assets | 2.28 | 1.91 |
| Total (a) | 5.57 | 5.47 |
| Deferred tax liability: | | |
| FVTPL on financial instrument | 15.92 | 9.33 |
| Other temporary difference | 0.02 | |
| Total (b) | 15.92 | 9.35 |
| Net deferred tax asset/(liability) (a -b) | (10.35) | (3.88) |

Rs. In crores

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|--------------------------------------------------|-----------------------------|-----------------------------|
| Deferred tax asset: | | |
| Provision for employee benefits | 0.13 | 6.44 |
| ROU asset adjustment | 0.14 | (0.00) |
| Depreciation on fixed assets | (0.37) | (0.03) |
| Total (a) | (0.11) | 6.41 |
| Deferred tax liability: | | |
| Prepaid brokerage | - | - |
| FVTPL on financial instrument | (6.60) | 8.44 |
| Other temporary difference | 0.02 | 0.00 |
| Total (b) | (6.58) | (8.44) |
| Net deferred tax (asset)/liability (a -b) | 6.47 | 14.85 |

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

Rs. In crores

| Particulars | As at March 31 2023 | Movement to Profit and loss and OCI | As at March 31 2022 |
|--------------------------------------------------|------------------------|----------------------------------------|------------------------|
| Deferred tax asset: | | | |
| Provision for employee benefits | 2.83 | 0.13 | 2.96 |
| ROU asset adjustment | 0.46 | 0.14 | 0.60 |
| Depreciation on fixed assets | 2.28 | (0.37) | 1.91 |
| Total (a) | 5.57 | (0.11) | 5.47 |
| Deferred tax liability: | | | |
| Prepaid brokerage | - | - | - |
| FVTPL on financial instrument | 15.92 | (6.60) | 9.33 |
| Other temporary difference | - | 0.02 | 0.02 |
| Total (b) | 15.92 | (6.58) | 9.35 |
| Net deferred tax asset/(liability) (a -b) | (10.35) | 6.47 | (3.88) |

35 Intangible Asset Under development

Rs. In crores

| Particulars | For the year March 31 2023 | For the year March 31 2022 |
|-------------------------------|-------------------------------|-------------------------------|
| Project in progress | 2.18 | 0.20 |
| Project temporarily suspended | - | - |
| Total | 2.18 | 0.20 |

Ageing schedule

Rs. In crores

| Particulars | For the year March 31 2023 | For the year March 31 2022 |
|---------------------|-------------------------------|-------------------------------|
| • Less than 1 year | 1.98 | 0.20 |
| • 1-2 years | 0.20 | - |
| • 2-3 years | - | - |
| • More than 3 years | - | - |
| Total | 2.18 | 0.20 |

36 Fair Value Measurement
Financial Instruments by category

Rs. In crores

| Particulars | As at March 31 2023 | | | |
|------------------------------------|---------------------|---------------------------|---------------------------|----------------|
| | Carrying Value | Fair Value | | |
| | | Fair Value Through P&L | Fair Value Through OCI | Amortized cost |
| Financial Assets: | | | | |
| Cash and Cash equivalent | 3.18 | - | - | 3.18 |
| Receivables | 71.68 | - | - | 71.68 |
| Investments | | | | |
| Mutual fund | 1,297.56 | 1,369.92 | - | - |
| Alternate Investment Fund | 52.47 | 61.88 | - | - |
| Equity Instrument | 9.08 | 9.26 | - | - |
| Other Financial Assets | 13.95 | - | - | - |
| Total Financial Assets | 1,447.92 | 1,441.06 | - | 74.86 |
| Financial Liability: | | | | |
| Trade and other payable | 33.69 | - | - | 33.69 |
| Long term borrowings | 1.02 | - | - | 1.02 |
| Other financial Liabilities | 20.66 | - | - | 20.66 |
| Total Financial Liability | 55.37 | - | - | 55.37 |

Rs. In crores

| Particulars | As at March 31 2022 | | | |
|---------------------------|---------------------|---------------------------|---------------------------|----------------|
| | Carrying Value | Fair Value | | |
| | | Fair Value Through P&L | Fair Value Through OCI | Amortized cost |
| Financial Assets: | | | | |
| Cash and Cash equivalent | 0.81 | - | - | 0.81 |
| Receivables | 93.42 | - | - | 93.42 |
| Investments | | | | |
| Mutual fund | 894.64 | 943.37 | - | - |
| Alternate Investment Fund | 37.82 | 48.04 | - | - |

| | | | | |
|------------------------------------|-----------------|-----------------|----------|--------------|
| Equity Instrument | 9.08 | 9.31 | - | - |
| Other Financial Assets | 2.97 | 2.97 | | |
| Total Financial Assets | 1,038.75 | 1,000.72 | - | 97.20 |
| Financial Liability: | | | | |
| Trade and other payable | 22.02 | - | - | 22.02 |
| Long term borrowings | 0.82 | - | - | 0.82 |
| Other financial Liabilities | 14.47 | - | - | 14.47 |
| Total Financial Liability | 37.31 | - | - | 37.31 |

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

- recognised and measured at fair value and
- 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. In crores

| Particulars | Date of valuation | As at March 31 2023 | | | |
|-------------------------------|-------------------|---------------------|--------------|--------------|-----------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets: | | | | | |
| Investments at FVTPL | | | | | |
| Mutual fund | March 31 2023 | 1,369.92 | - | - | 1,369.92 |
| Alternative Investment Fund | March 31 2023 | - | 38.39 | 23.49 | 61.88 |
| Equity Instrument | March 31 2023 | - | - | 9.26 | 9.26 |
| Total Financial Assets | | 1,369.92 | 38.39 | 32.75 | 1,441.06 |

Rs. In crores

| Particulars | Date of valuation | As at March 31 2022 | | | |
|-------------------------------|-------------------|---------------------|--------------|--------------|-----------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets: | | | | | |
| Investments at FVTPL | | | | | |
| Mutual fund | March 31 2022 | 943.37 | | | 943.37 |
| Alternative Investment Fund | March 31 2022 | | 34.22 | 13.82 | 48.04 |
| Equity Instrument | March 31 2022 | | | 9.31 | 9.31 |
| Total Financial Assets | | 943.37 | 34.22 | 23.13 | 1,000.72 |

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 unobservable inputs.

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 |
| Equity Instrument | Equity share of MF Utilities India Private Limited and AMC repo clearing limited is valued at book value of the share based on audited financials as on 31st March 2022 |
| Alternative Investment Funds | Net Asset Value (NAV) provided by issuer fund which are arrived at based on valuation from independent valuer for unlisted portfolio companies and price of recent investments |

Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022.

Rs. In crores

| Particulars | Alternative Investment Fund | Equity Instrument |
|------------------------------------------|-----------------------------|-------------------|
| As at April 1, 2021 | 12.32 | 0.22 |
| Acquisitions | 5.74 | 9.03 |
| Disposals | (4.32) | - |
| Gain/(losses) recognised profit and loss | 0.07 | 0.06 |
| As at March 31, 2022 | 13.82 | 9.31 |
| Acquisitions | 14.77 | - |
| Disposals | (3.65) | - |
| Gain/(losses) recognised profit and loss | (1.45) | (0.05) |
| As at March 31, 2023 | 23.49 | 9.26 |

Valuation Inputs and relationships to fair value

Rs. In crores

| Particulars | Fair value | |
|-----------------------------|---------------------|---------------------|
| | As at March 31 2023 | As at March 31 2022 |
| Alternative Investment Fund | 23.49 | 13.82 |

Rs. In crores

| Particulars | Sensitivity | |
|-----------------------------|---------------------|---------------------|
| | As at March 31 2023 | As at March 31 2022 |
| Alternative Investment Fund | | |
| - NAV - Increased by 5% | 1.17 | 0.69 |
| - NAV - decreased by 5% | (1.17) | (0.69) |

Valuation Process

Valuation of Alternate Investment fund units are done by an independent third party valuation firm during the year.

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies (including alternative investment funds) on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

37 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 financial risk management policy is set by the Risk management committee.

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 measured at amortised cost |
| Market Risk- Foreign Exchange | Recognised financial assets not denominated in Rs. |
| Market Risk- Price | Investments in equity securities, units of mutual funds, debt securities and alternative investment 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 financial loss to the company. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company has well defined investment policy restricting investments in various risk categories such as high/moderate etc.

Market Risk- Foreign exchange

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Rs. In crores

| Particulars | As at March 31 2023 | As at March 31 2022 |
|----------------------------|---------------------|---------------------|
| USD Rate - Increased by 5% | (0.35) | (0.34) |
| USD Rate - decreased by 5% | 0.35 | 0.34 |
| AUD Rate - Increased by 5% | 0.04 | 0.04 |
| AUD Rate - decreased by 5% | (0.04) | (0.04) |
| GBP Rate - Increased by 5% | 0.004 | 0.004 |
| GBP Rate - Increased by 5% | (0.004) | (0.004) |

Market Risk- Price

The company's exposure to mutual fund and Alternate investment fund price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss Company's investments are units of mutual funds, debt securities and alternative investment funds, consequently, exposes to risk of fluctuation in the market price. Market price of such instrument are closely linked to movement in equity and bond market indices.

Rs. In crores

| Particulars | As at March 31 2023 | As at March 31 2022 |
|-----------------------|---------------------|---------------------|
| NAV - Increased by 5% | 71.59 | 49.57 |
| NAV - decreased by 5% | (71.59) | (49.57) |

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The company maintains sufficient bank balance and marketable securities such as liquid fund of mutual fund.

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

| Particulars | As on 31st March 2023 | | | As on 31st March 2022 | | |
|--------------------------------------|-----------------------|-----------------|-----------------|-----------------------|-----------------|-----------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Assets | | | | | | |
| Financial Asset | | | | | | |
| Cash and cash equivalents | 3.18 | - | 3.18 | 0.81 | - | 0.81 |
| Receivables | | | | | | |
| (i) Trade Receivables | 71.68 | - | 71.68 | 93.42 | - | 93.42 |
| (ii) Other Receivables | - | - | - | - | - | - |
| Investments | 419.89 | 1,021.17 | 1,441.06 | 136.34 | 864.38 | 1,000.72 |
| Other Financial Asset | 0.41 | 13.54 | 13.95 | 2.75 | 0.22 | 2.97 |
| Total Financial Asset | 495.16 | 1,034.71 | 1,529.87 | 233.32 | 864.60 | 1,097.92 |
| Non Financial Asset | | | | | | |
| Current tax Assets (Net) | 20.15 | - | 20.15 | 23.48 | - | 23.48 |
| Deferred tax Assets (Net) | - | - | - | - | - | - |
| Property, Plant and Equipment | - | 33.93 | 33.93 | - | 22.69 | 22.69 |
| Intangible assets | - | 2.88 | 2.88 | - | 5.51 | 5.51 |
| Intangible assets under development | - | 2.18 | 2.18 | - | 0.20 | 0.20 |
| Other non-financial assets | 32.38 | 93.81 | 126.19 | 34.49 | 50.29 | 84.78 |
| Total Non Financial Asset | 52.53 | 132.80 | 185.33 | 57.97 | 78.69 | 136.66 |
| Total Assets | 547.69 | 1,167.51 | 1,715.20 | 291.29 | 943.29 | 1,234.58 |
| Liabilities | | | | | | |
| Trade Payables | 33.69 | - | 33.69 | 22.02 | - | 22.02 |
| Long term borrowing | 0.61 | 0.40 | 1.02 | 0.26 | 0.56 | 0.82 |
| Other financial liabilities | 7.88 | 12.78 | 20.66 | 7.31 | 7.16 | 14.47 |
| Total Financial Liability | 42.18 | 13.18 | 55.37 | 29.59 | 7.72 | 37.31 |
| Non Financial Liabilities | | | | | | |
| Provision | 80.86 | - | 80.86 | 85.86 | - | 85.86 |
| Deferred tax liability (Net) | 10.35 | - | 10.35 | 3.88 | - | 3.88 |
| Other non-financial liabilities | 30.17 | 0.03 | 30.19 | 28.58 | - | 28.58 |
| Total Non Financial Liability | 121.38 | 0.03 | 121.40 | 118.32 | - | 118.32 |
| Total Liabilities | 163.56 | 13.21 | 176.77 | 147.91 | 7.72 | 155.63 |

38 Lease
Lease liability

Rs. In crores

| Particulars | Amount Rs. |
|----------------------------|--------------|
| As at 01 April 2021 | 21.17 |
| Additions | 3.11 |
| Accretion of interest | 1.50 |
| Payments | (11.31) |
| As at 01 April 2022 | 14.47 |
| Additions | 16.30 |
| Accretion of interest | 1.70 |
| Payments | (11.81) |
| As at 31 March 2023 | 20.66 |
| Current | 7.31 |
| Non-current | 13.35 |

Rs. In crores

| Particulars | March 31, 2023 | March 31, 2022 |
|-----------------------------------------------------------------------------|----------------|----------------|
| Depreciation expense of right-of-use assets | 9.86 | 8.76 |
| Interest expense on lease liabilities | 1.69 | 1.50 |
| 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 | 11.55 | 10.26 |

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 March 31, 2023

39 Other statutory informantion

- 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 compant 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.

40 Related party transactions

The related parties of the Company are as follows:

| | | |
|----|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A) | Holding Company | : Axis Bank Limited |
| B) | Fellow Subsidiaries | : Axis Securities Limited : Axis Trustee Services Limited |
| C) | Significant Share Holder | : Schroder Singapore Holdings Private Limited (SSHPL) is a wholly owned subsidiary of Schroder Investment Management (Singapore) Limited (SIMSL) |
| D) | Fellow subsidiaries of significant Share Holder - SIMSL" | : Schrodgers Investment Management Limited : Schroder Investment Management Luxembourg S.A. : Schroder Investment Management Australia Limited : Schroder Unit Trusts Limited : Schroder Investment Management(Singapore) Ltd. |
| D) | Key Management Personnel | : Mr. Chandresh Kumar Nigam (MD & CEO) : Mr. Sumit Shukla |
| E) | Directors | : Ms. Sonia singh : Mr. Shailendra Bhandari : Mr. V. Anantharaman : Mr. Ravindra B Garikipati : Mrs. Usha Sangwan : Mr. Kedar Desai : Mr. U.R Bhat |

| Sr. No. | Name of Related Party | Description of Transactions/ Categories | Transaction | | Balance | |
|---------|-----------------------|----------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| | | | For the year ended Mar 31, 2023 | For the year ended Mar 31, 2022 | Outstanding amount carried to Balance Sheet as at 31st March 23 | Outstanding amount carried to Balance Sheet as at 31st March 22 |
| 1 | Axis Bank Limited | Operation Expenses\$ | 21.13 | 35.92 | 5.31 | 3.02 |
| | | Miscellaneous Expenses | 0.00 | 0.00 | - | - |
| | | Rent | 4.23 | 3.21 | - | - |
| | | Outsourced Services Cost | 0.36 | 0.13 | - | - |
| | | Establishment Expenses | 1.54 | 1.45 | 0.45 | 0.36 |
| | | Administrative & Other Expenses | 4.21 | 3.69 | 0.20 | 0.30 |
| | | Investor Compensation (Receivable) | -0.00 | - | -0.00 | - |
| | | Car Loan Interest | 0.07 | 0.05 | - | - |
| | | Reimbursement of ESOP cost | 17.17 | 16.83 | 0.29 | - |
| | | Reimbursement of TDS on ESOP * | 3.03 | - | - | - |
| | | Interest income on Fixed Deposits | 0.26 | - | - | - |
| | | Accrued Interest income on Fixed Deposits | 0.29 | - | 0.29 | - |
| | | Current account balance as per book (Balance with Axis Bank is Rs.3.17 crs (Previous year Rs.0.84 crs)). | - | - | 3.17 | 0.81 |
| | | Equity Share Capital contribution: | - | - | 157.58 | 157.58 |
| | | Contribution to Share Premium a/c | - | - | 21.67 | 21.67 |
| | | Secured Loan | 0.20 | 0.31 | 1.02 | 0.82 |
| | | Fixed deposits | 88.50 | - | 10.50 | - |
| | | Fixed deposit matured during the Period | 78.00 | - | - | - |

| | | | | | | |
|----|--------------------------------------------------|--------------------------------------------------------------------------------|--------------|--------|---------------|---------------|
| 2 | Schroder Investment Management (Singapore) Ltd. | Offshore Advisory fees Income/Receivable | 29.45 | 21.11 | 2.44 | 2.73 |
| 3 | Schroder Investment Management Australia Limited | Offshore Advisory fees Income/Receivable | 2.59 | 2.79 | 0.61 | 0.73 |
| 4 | Schroder Unit Trusts Limited | Offshore Advisory fees Income/Receivable | 0.74 | 0.95 | 0.06 | 0.08 |
| 5 | Schroder Investment Management Ltd | Offshore Advisory fees Expense / Payable | 5.25 | 4.00 | 5.25 | 4.00 |
| 6 | Schroder Investment Management (Singapore) Ltd. | Offshore Advisory fees Expense / Payable | 4.09 | 5.55 | 4.09 | 5.55 |
| 7 | Schroder Singapore Holdings Private Ltd. | Equity Share Capital contribution: Contribution to Share Premium a/c | - | - | 52.53 7.22 | 52.53 7.22 |
| 8 | Axis Securities Ltd. | Operation Expenses\$ | 0.02 | 0.18 | - | 0.22 |
| 9 | Axis Trustee Services Ltd. | One time acceptance fees for AIF | - | 0.02 | - | - |
| 10 | Freecharge Payment Technology Pvt. Ltd. | Deputation Cost | 1.11 | - | 0.26 | - |
| 11 | Axis Pension Fund Management Limited | Reimbursement of the company formation and set up cost Staff Mediclaim cost | 1.99 0.14 | - - | - - | - - |
| | | Investment in Share Capital | 40.80 | - | - | - |
| 12 | Mrs. SONIA SINGH | Sitting Fees | 0.13 | 0.08 | - | 0.00 |
| 13 | Mr. Shailendra Bhandari | Sitting Fees | 0.18 | 0.11 | 0.01 | 0.00 |
| 14 | Mr. V. Anantharaman | Sitting Fees | 0.23 | 0.11 | 0.01 | 0.00 |
| 15 | Mr. Ravindra B Garikipati | Sitting Fees | 0.24 | 0.14 | 0.01 | 0.00 |
| 16 | Mrs. Usha Sangwan | Sitting Fees | 0.07 | - | - | - |
| 17 | Mr. Kedar Desai | Sitting Fees | 0.13 | - | - | - |
| 18 | Mr. U.R Bhat | Sitting Fees | 0.13 | - | - | - |
| 19 | Mr. Chandresh Kumar Nigam (MD & CEO) | Remuneration to Key Managerial Personnel** | 2.78 | 17.80 | - | - |
| 20 | Mr. Sumit Shukla (MD & CEO) | Remuneration to Key Managerial Personnel** | 2.26 | - | - | - |

\$ Note:- Total Brokerage Paid/Payable during the period Apr'22 to Mar'23 for Axis Bank Limited is Rs.25.58 crs (Previous period - Rs.24.69 crs) and for Axis Securities Limited is NIL (Previous period is 0.18 crs)

**Includes Basic, HRA, Performance bonus & other allowances & excluding provision for gratuity, Provident fund and compensated absences. Performance bonus and Long term incentive plan are included on payment basis.

#Note:- Administrative & Other Expenses includes 0.51 crs (Previous Year Rs. 0.31 crs) recovered from Employees during the period Apr'22 to Mar'23 towards Term Life Insurance Premium.

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 funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends to be paid to the shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

42 Expenditure and Earning in foreign currency

Additional information pursuant to the provisions of Schedule III to the Companies Act,2013 is given below:

Earning in foreign currency

Rs. In crores

| Particulars | For the year March 31,2023 | For the year March 31,2022 |
|---------------|-------------------------------|-------------------------------|
| Advisory Fees | 32.96 | 25.08 |
| | 32.96 | 25.08 |

Expenditure in foreign currency (on accrual basis)

Rs. In crores

| Particulars | For the year March 31,2023 | For the year March 31,2022 |
|----------------------------------|-------------------------------|-------------------------------|
| Operation expense | 9.47 | 9.88 |
| Employee Benefit expenses | 0.35 | 0.04 |
| Marketing expense | - | 0.63 |
| Computer & Software related cost | 0.44 | 0.30 |
| IT-Related Cost | 0.35 | 0.14 |
| Legal & Professional expenses | 0.19 | 0.26 |
| Total | 10.80 | 11.26 |

Unhedged foreign currency exposure:

Rs. In crores

| | As at March 31,2023 | | As at March 31,2022 | |
|----------------------------------|---------------------|---------|---------------------|---------|
| | Foreign Currency | Rs. Crs | Foreign currency | Rs. Crs |
| Advisory fees receivables | | | | |
| USD | 2,96,688 | 2.44 | 3,59,378 | 2.73 |
| AUD | 110765.62 | 0.61 | 1,38,598 | 0.79 |
| GBP | 5,797 | 0.06 | 7,778 | 0.08 |
| Advisory fees Payable | | | | |
| USD | 11,36,177 | 9.34 | 12,59,091 | 9.56 |

- 43 The management of Axis Asset Management Company Limited ("the Company") had proactively conducted a suo moto internal investigation through independent external advisors with respect to certain allegations of potential irregularities relating to the conduct of certain personnel of the Company. The findings of the investigation involve inter alia potential securities law violations by two (former) employees of the Company during the course of their employment.

The Company has taken appropriate action against concerned employees including the above mentioned two employees whose services have been terminated. The management of the Company has also submitted details of its findings and disciplinary action taken, to regulatory authorities and is cooperating with them as required from time to time. Further, pursuant to its independent investigation, SEBI has on February 28, 2023 passed an ad interim ex parte order-cum-show-cause notice ("Interim Order") against inter alia one of these former employees. Neither the Company nor any of its existing officers/ employees have been named as noticees in the Interim Order, nor any directions have been passed against them in the Interim Order.

Further, one of the employees of the Company, whose employment was terminated, has challenged his termination and filed a financial claim against the Company in the Bombay High Court and the matter is yet to be heard.

Based on information available as on the date, pursuant to the investigation, the management and Board of the Company have assessed that there is no impact on the financial statements of the Company for the twelve months period ended March 31, 2023 or earlier periods.

44 Disclosure of ratios

| Sr. No. | Ratio | Numerator | Denominator | As on 31st March 2023 | As on 31st March 2022 | % change | Reason for variance |
|---------|------------------------|-----------------------------------------------|------------------------------|-----------------------|-----------------------|----------|-------------------------------------------------------------------------------|
| 1 | Current ratio | Current Assets | Current Liabilities | 3.35 | 1.97 | 70.04 | The ratio has improved due to investment into liquid investments |
| 2 | Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | 32.51% | 45.39% | -28.38 | The decrease is due only nominal increase in profits as compared to last year |
| 3 | Net Profit ratio | Net Profits after taxes | Total Income | 40.84 | 42.94 | -4.89 | |

45 Investment in subsidiaries

The consolidated financial statements of the group includes subsidiary listed below

| Name of the company | Country of incorporation | For year ended March 31, 2023 | For year ended March 31, 2022 |
|--------------------------------------|--------------------------|-------------------------------|-------------------------------|
| Axis Pension Fund Management Limited | India | 51 | NA |

46 Additional Information

For year ended March 31, 2023

| Particulars | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | |
|-----------------------------------|-------------------------------------------------------|-----------------|-------------------------------------|---------------|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
| Parent | 95.43 | 1,468.12 | 102.31 | 429.98 |
| Subsidiary | 4.57 | 70.31 | -2.31 | -9.69 |
| Axis Pension Fund Management Ltd. | | 70.31 | | -9.69 |
| Total | 100.00 | 1,538.43 | 100.00 | 420.29 |

For year ended March 31, 2022

| Particulars | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | |
|-----------------------------------|-------------------------------------------------------|-----------------|-------------------------------------|---------------|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
| Parent | 100% | 1,715.20 | 100% | 401.65 |
| Subsidiary | - | - | - | - |
| Axis Pension Fund Management Ltd. | | | | |
| Total | | 1,715.20 | | 401.65 |

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

For and on behalf of the Board

Sd/-

Jayesh Gandhi

Partner

Membership No.037924

Mumbai

April 17, 2023

Sd/-

V. Anantharaman

Director

DIN: 01223191

Sd/-

Gopal Menon

COO & CFO

Mumbai.

April 17, 2023

Sd/-

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Sd/-

Lalit Taparia

Company Secretary