

Directors' Report

Dear Members,

The Directors of Axis Pension Fund Management Limited ("your company" or "the Company" or Axis PFM") are pleased to present the **Second** Directors Report on the business and operations of your Company for the Financial Year ended March 31, 2024 ("Financial Year").

OPERATIONS AND BUSINESS OVERVIEW

The financial year under review was the first full financial year of the Company. During FY 2023-24, your Company has steadily gained total number of subscribers as well as total Assets Under Management ('AUM'). As on the close of financial year, your Company had a total AUM of ₹ 2,197.45 Crores as compared to ₹ 191.33 Crores as on March 31, 2023, registering a growth of 1,048%. The total subscriber base stood at 107,576, as compared 13,516 subscribers at the end of previous financial year, registering an annual growth of 671%.

As on March 31, 2024, your Company ranks at number 7 amongst all Pension Funds in terms of AUM and Subscriber base, and number 4 in terms of new Subscribers enrolled for FY 2023-24. The overall market share of your company has changed from 0.3% to 1.2% as on March 31, 2024¹. In terms of new Subscriber addition, your company market share has gone up from 1.3% to 9.1% over the year.

Out of the total AUM of ₹ 2,197.45 Crores, the total asset mix is mentioned in the below table:

In ₹ Crores

| Scheme / Asset Class | Tier-I | Tier-II |
|--------------------------|--------|---------|
| Equity | 897.02 | 6.75 |
| Corporate Debt | 527.16 | 2.15 |
| Government Debt | 759.57 | 3.31 |
| Alternative Investments* | 1.31 | - |
| Tax Saver Tier-II** | - | 0.17 |

*Available only for Tier-I accounts

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

The performance of each scheme during FY 2023-24 can be summarised in the below table:

| Scheme / Asset Class | Tier-I | Tier-II |
|-------------------------|--------|---------|
| Equity | 34.02% | 34.49% |
| Corporate Debt | 8.27% | 7.08% |
| Government Debt | 9.42% | 8.81% |
| Alternative Investments | 6.90% | - |

¹ Government Sector numbers not included in calculation of market share.



| | | |
|-------------------|---|-------|
| Tax Saver Tier-II | - | 6.91% |
|-------------------|---|-------|

As on March 31, 2024, your Company has been chosen by approximately 245 corporate entities as the default fund manager for their employees.

INDUSTRY OVERVIEW AND MARKET OUTLOOK

Industry Overview

As on the end on FY 2023-24, the Total Subscriber base under NPS stood at 52.4 lakhs under the private sector model. The AUM under Retail and Corporate sector has grown from ₹ 1.10 lakh Crores in FY 2022-23 to ₹ 1.78 lakh crores in FY 2023-24 registering a growth of more than 61%. Overall AUM of the industry, including AUM of Central and State Government employees stands at ₹ 11.44 lakh Crores as on March 31, 2024. We believe that the market for NPS is well poised to reach an AUM size over ₹ 20 lakh crores by FY 2026-27.

Equity: Review and Outlook

Indian equities had a very strong year FY 2023-24 with a broad-based market rally. The midcap and small cap indices rallied twice as much as the large-cap indices which themselves had an upward move of around 30%! Stable macros with a high real GDP growth, high (absolute and relative) corporate earnings growth, strong capex cycle coupled with rising discretionary consumption, and significantly high domestic retail purchases in equities were some of the key drivers of this significant rally in our equity market. Our large cap market indices significantly outperformed most the emerging markets index (MSCI Emerging Markets index was up only 5% for the year). For calendar 2023, domestic inflows were \$ 22 billion, matching the FII inflows of \$ 21 billion. In the three months Jan-March 2024, we have seen domestic inflows surging to \$ 13 billion in a single quarter compared to a mere \$ 1 billion from FIIs. India, with its GDP at an estimated \$ 3.75 trillion, is the 5th largest economy after USA, China, Germany and Japan, and is targeted to reach close to \$ 7 trillion by 2030. There is therefore a prospect of structural long-term growth, which would then ultimately bode well for corporates and equities.

Therefore while markets are close to an all-time high in terms of absolute levels (though not yet in terms of P/E levels), we have a positive outlook. We expect the premium valuations to sustain, and so continue to expect an upside in FY 2024-25 as well, though it could be appear modest in comparison with the upside witnessed in FY 2023-24. There could however be some downsides in some of the midcap and small cap stocks due to excessive valuations. The 3-year CAGR of earnings estimates (FY 2023-26) are 13.5%, however largely front-ended in FY 2023-24, with the growth likely to be slower in FY 2024-26. Valuations of Nifty 50 are at around 18xFy26 levels, at a premium to this 3 year CAGR.

Risk factors for FY 2024-25 are earnings disappointments (given the high valuations), an adverse election result, sustained high levels of crude oil prices due to geopolitical issues (already touching \$90/barrel at the beginning of the new financial year), and if we witness a significant shift of FII money away from India into markets like China which have been large underperformers last year. Foreign flows into Indian bonds due to the inclusion in the some of the leading bond indices should help keep the currency stable (the Indian currency has already been one of the most stable currencies last year; and our forex reserves have recovered to the earlier (September 2021) high of around \$ 645 billion in March 2024) . If there are very large domestic issuances which absorb a chunk of domestic retail inflows, that too, could dampen the rally to an extent.



Relative to our benchmark BSE 200 index, we are presently overweight on the NBFC sector (strong growth, stable asset quality and beneficiaries of potential interest rate cuts later in the year), automobile sector, capital goods sector, retail sector, hotels and metals (we were underweight the metals sector for a significant part of last year, but have increased our weight towards the end of the year with a potential recovery likely in China, and on the basis of relative valuations). We are presently underweight banks (but have been adding to the weight). We are underweight on IT, FMCG sector and oil & gas sectors. Among the sectors which have underperformed last year was the FMCG sector, primarily due to a stubborn slowdown in the rural demand, but towards the end of the financial year, some green shoots have been reported in terms of signs of a pick-up in rural demand. If we have a normal monsoon in June-Sep 2024, it could finally result in the rural demand recovery gaining strength. We would closely watch these trends, since this has a reflection in the prospects of not just the FMCG sector, but on several other sectors such as cement, automobiles, etc. Another trend to be keenly watched would be the private sector capex, particularly with the Government capex likely to slow down in FY 2024-25 after having provided the push in earlier years.

Over the course of the year FY 2023-24, we have diversified our portfolio (which earlier consisted only of stocks from the Nifty 50 index at the beginning of the year) to a broad-based portfolio with an exposure to stocks outside the Nifty 50 (but within the top 200 stocks specified by the NPS Trust) to a level close to the 30% of the portfolio. The portfolio is thus geared for a continuation of the broad-based rally witnessed last year, but due to relative valuations, the gap between the BSE 200 and the Nifty 50 could be much smaller in Fy24-25 (as compared to the 8% gap witnessed in Fy23-24 with the BSE 200 TRI rallying 38% vs the Nifty 50 TRI's 30%).

Debt: Review and Outlook

GDP growth in India in FY 2023-24 is likely to have exceeded earlier expectations, and is now estimated to be in the vicinity of 7.5%, the third successive year of 7% or higher. For FY 2024-25, the GDP growth is likely to remain strong, though slightly lower than in the past 3 years, with estimates for FY 2024-25 ranging from 6.5%-7% growth, based on the expectations of a strong domestic demand and the revival of private sector capex. A lower global demand for exports, Chinese overcapacity, high borrowing costs and slower consumption growth could be the dampening factors. The actual fiscal deficit for Fy23-24 may be in line with the targeted 5.8% of GDP, as a shortfall in disinvestment receipts is partially offset by higher dividends from Central PSUs, and with strong direct & indirect tax revenues.

It was heartening to see that the Government delivered an interim Union Budget which did not stray from its committed path of fiscal consolidation, as it maintained the roadmap of a gradual curtailment of the fiscal deficit to 4.5% by FY 2025-26 (targeting 5.1% in FY 2024-25 as compared to the estimated 5.8% in the current financial year). This is creditable especially as there were prior apprehensions of this Budget being a populist one considering the upcoming Union elections. The net market borrowing of ~ ₹ 11.75 lakh crore is lower than expected, partly due to a moderation in Government capex in an election year (capital expenditure growth is expected to moderate to 16.9% YoY in FY 2024-25 vs the revised estimate of 28.4% in FY 2023-24). Global inflation has been moderating, though it remains above the targets of major central banks, amidst strengthening growth and strong labour markets. The US Federal Reserve, too, has been on a long pause after it last hiked in July 2023 (i.e. after a total hike of 525 bps from March 2022 level of 0-0.25% to 5.25-5.5%). The conservative monetary stance continues, despite some of the major central banks indicating no further rate hikes. The Fed in a significant



dovish tilt, indicated 3 rate cuts in the calendar year 2024; cheering markets and the 10-year US treasury yields fell close to 100 bps to 3.9% towards the end of calendar 2023 in the wake of positive remarks by the Fed. However the resilient labour market, sticky inflation (lower but still well above the 2% target) and rising crude oil prices may result in some disappointments to the market on the indicated 3 cuts in calendar 2024. The 10-year US treasury yields have already retraced half the fall and now quoting at 4.4%.

The Indian economy is poised to fare relatively better than most other global economies in calendar 2024 as well, with interest rates having peaked and inflation likely to be under control (CPI has cooled off from the 7.8% witnessed in April 2022 to 5.1% in February 2024, and is expected to moderate to 4.5% in FY 2024-25, though still above the 4% target). The risks stem from external factors in terms of the global slowdown (impacting exports which are 20% of India's GDP) and commodity prices, particularly crude oil and possibly metals as well. The Monetary Policy Committee (MPC) had raised the repo rate by 250 bps from 4% in April 2022 to 6.5% in February 2023, and has now paused for more than a year at that level, a pause which appears likely to continue for an extended period during calendar 2024. Over the course of FY 2023-24, we have witnessed a fall in yields for 10 year Gov bonds from 7.32% to 7.06%, and a fall in yields for 40 year Gov bonds from 7.42% to 7.15%. The current 10-year yields at around 7.10% still appear reasonably attractive. We expect rates to trade in the lower end of range of 7.00% - 7.15% on the 10 year Gov bonds, with a lower supply of Gov bonds and the impending purchases by FIs due to the inclusion in the bond indices. Small intermittent yield spikes cannot be ruled out, however, we do not see any material increase in yields from here, given the market's and RBI's macroeconomic outlook. Expectations of a continuing political regime, strong tax buoyancy and expectations of strong FPI inflows due to India bond inclusion in foreign indices, add to the optimism on bonds. Key monitorables include crude oil prices, inflation & pace of economic recovery, geopolitical concerns and corporate profitability.

Corporate spreads over the risk-free rates (Government securities) have shrunk considerably in the wake of a lower supply due to a deleveraging cycle. We remain cautious in this segment as current spreads do not adequately factor the liquidity and credit risk premium, and are quite tight; some spread expansion cannot be ruled out. We therefore favour PSUs and top quality corporates (largely AAA with some quality names in the AA+ and AA space). Our credit universe comprises of corporates who are leading names in respective industries.

KEY REGULATORY CHANGES

During the financial year under review, the overall regulatory environment for Pension Funds remained stable with no major path breaking changes. The regulatory environment of NPS in general continues to evolve in an effort to become more customer friendly, and plug certain gaps at the ground level. During the year, the PFRDA introduced mandatory 2-factor authentication for change of fund manager as an additional security feature to enhance customer security. Additionally, a facility for Systematic Lumpsum Withdrawal (SLW) was operationalised during the year, allowing subscribers to periodic withdrawal of the corpus not utilised for annuity purchase until the age of 75. Subscribers were also allowed a facility to choose multiple fund managers for different asset classed in Tier-I as well as Tier-II accounts, thereby enhancing the choice for subscribers.

FINANCIAL PERFORMANCE



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

| Particulars | Amount (In ₹ Lakhs) | |
|--|---------------------|-----------------|
| | FY 2023-24 | FY 2022-23 |
| Income from Investment Management Fees | 72.80 | 4.37 |
| Other Income | 475.36 | 350.25 |
| <i>Total Revenue</i> | <i>548.16</i> | <i>354.62</i> |
| Employee Benefit Expenses | 881.34 | 747.82 |
| Depreciation | 161.46 | 90.59 |
| Other expenses | 301.23 | 485.02 |
| <i>Total Expenses</i> | <i>1,344.03</i> | <i>1,323.44</i> |
| Loss for the year | 795.87 | 968.82 |

CHANGE IN NATURE OF BUSINESS, IF ANY:

During the financial year, there has been no change in the business of the Company.

DIVIDEND

Since your Company yet to turn profitable, the Directors do not recommend any dividend for FY 2023-24.

TRANSFER TO RESERVES

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

SHARE CAPITAL

The Authorised Share capital of your Company stands at ₹ 100,00,00,000 (One Hundred crores) comprising of 10,00,00,000 (Ten crore) equity shares. As on March 31, 2024, the issued, subscribed and paid-up share capital of your Company was ₹ 80,00,00,000 (Rupees Eighty Crores) comprising of 8,00,00,000 (Eight Crore) equity shares of ₹10 /- each fully paid-up.

The shareholding pattern is as under: -

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

The Company has not issued any bonus shares, sweat equity shares and shares with differential voting rights during FY 2023-24.

HOLDING, SUBSIDIARIES, JOINT VENTURE & ASSOCIATE COMPANIES



Holding Company

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

Subsidiary Company/Joint Ventures/ Associate Company

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

DEMATERIALISATION OF SHARES

As on March 31, 2024, the entire paid-up equity share capital of your Company comprising of 8,00,00,000 Equity Shares is held in dematerialised form.

PUBLIC DEPOSITS

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

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

During FY 2023-24, your Company has not given any loans and guarantees which attract the provisions of Section 186 of the Act. For the particulars of investments made during the year, please refer Note No. 5 of Notes to Accounts.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNING AND OUTGO

Your Company did not have any Foreign exchange earnings or expenses during the financial year ended on March 31, 2024.

EMPLOYEE STOCK OPTION PLAN

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

RISK MANAGEMENT

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



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

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

INTERNAL FINANCIAL CONTROL

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

INTERNAL AUDIT

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment & Resignation of Directors

As on March 31, 2024, the Board of Directors of our Company ('the Board') comprised of 6 (Six) Directors which included 1 (One) Women Director (Independent Director), 2 (Two) Independent Directors and 2 (Two) Non-Executive Directors. Your Directors on the Board possess experience and competency and are renowned in their respective fields. All Directors are liable to retire by rotation except Independent Directors whose term of office is of 5 consecutive years as approved by the Members of the Company at the Annual General Meeting ("AGM") of the Company.

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

- Mr. Chandresh Kumar Nigam (DIN 00498968) ceased to be the Director of the Company w.e.f. April 30, 2023;
- Mr. Gop Kumar Bhaskaran (DIN 07223999) appointed as an Additional Non-Executive Director on May 05, 2023, and as a Director at the 1st Annual General Meeting held on June 5, 2023;
- Mr. Amitabh Chaudhry ceased to be a Director of the Company w.e.f. March 21, 2024; and
- Mr. Neeraj Gambhir (DIN 00257375) appointed as an Additional Non-Executive Director w.e.f. March 26, 2024.

Retirement by Rotation

Pursuant to Section 152 of the Companies Act, 2013, two-thirds of the Board of Directors of the Company, except for Independent Directors, are liable to retire by rotation at every Annual General Meeting ('AGM'), and one-third of such Directors shall retire at such AGM. Accordingly, Mr. Sumit Shukla (DIN 09664032), Director, retires from the Board by rotation this year and being eligible, offers himself for re-appointment at the 2nd Annual General Meeting of the Company.



The Nomination and Remuneration Committee of the Company and the Board of Directors have recommended the re-appointment of Mr. Sumit Shukla.

Necessary resolution for re-appointment of Mr. Sumit Shukla forms part of the Notice of 2nd AGM.

Declaration by Independent Directors

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

In addition to the above, the Board is of the opinion that the Independent Directors of the Company possess relevant experience and expertise, including proficiency, and are persons of integrity.

Key Managerial Personnel

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

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

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

1. Mr. Shyamsunder Bhat, Chief Investment Officer;
2. Mr. Akash Verma, Chief Risk Officer;
3. Mr. N. Gokulakrishnan, Chief Information Security Officer; and
4. Mr. Prakash Kanase, Head of Investment Operations

ANNUAL PERFORMANCE EVALUATION

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

The performance evaluation of the Board was conducted on various aspects of the Board's functioning such as Governance, Strategic Planning, audit, compliance, identification and management of Risks. The performance evaluation of the Committees was based on criteria such as appropriate composition, clarity in terms of reference, regularity of meetings, quality of discussion/deliberation at its meetings, participation of members etc. The performance



evaluation of Directors was carried out on various criteria such as participation at the meetings, interpersonal relationship with other Directors, providing guidance, knowledge and understanding of areas relevant to the operations of the Company.

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

Outcome of the evaluation

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

Nomination and Remuneration policy

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

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

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

MEETINGS OF BOARD AND ITS COMMITTEES

Board Meetings

During FY 2023-24, a total of 4 (four) meetings of the Board of Directors were held on April 12, 2023, July 12, 2023, October 11, 2023 and January 10, 2024. The status of attendance of Directors at the Board Meetings is as follows:

| Sr. No. | Name | Designation | Number of meetings eligible to attend | Number of meetings attended | Last AGM Attendance | Sitting fees paid |
|----------------|------------------|----------------------|--|------------------------------------|----------------------------|--------------------------|
| 1. | Ms. Usha Sangwan | Independent Director | 4 | 4 | Yes | 8,00,000 |



| Sr. No. | Name | Designation | Number of meetings eligible to attend | Number of meetings attended | Last AGM Attendance | Sitting fees paid |
|--|---------------------------|---|---------------------------------------|-----------------------------|---------------------|-------------------|
| 2. | Mr. Kedar Desai | Independent Director | 4 | 4 | No | 13,00,000 |
| 3. | Mr. U. R. Bhat | Independent Director | 4 | 4 | Yes | 13,00,000 |
| 4. | Mr. Chandresh Nigam* | Non-Executive Director | 1 | 1 | NA | Nil |
| 5. | Mr. Gop Kumar Bhaskaran** | Non-Executive Director | 3 | 3 | No | Nil |
| 6. | Mr. Amitabh Chaudhry | Non-Executive Director | 4 | 4 | No | Nil |
| 7. | Mr. Sumit Shukla | Managing Director & Chief Executive Officer | 4 | 4 | Yes | Nil |
| Total Meetings held during the year | | | | 4 | | |

*Mr. Chandresh Nigam ceased to be the Director w.e.f. April 30, 2023.

**Mr. Gop Kumar Bhaskaran was appointed as Non-Executive Director on May 05, 2023.

Committees of Board of Directors and Management

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

Audit Committee

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

As on March 31, 2024, the Audit Committee consisted of the following members:

- Mr. Ullal Ravindra Bhat, *Chairman*
- Mr. Kedar Desai, *Independent Director*
- Mr. Gop Kumar Bhaskaran, *Non-Executive Director*

During FY 2023-24, 4 (four) meetings of the Audit Committee were held on April 12, 2023, July 12, 2023, October 11, 2023 and January 10, 2024. The Status of attendance of the Members at the Audit Committee is as follows:

| Sr. No. | Name | Designation | Number of meetings eligible to attend | Number of meetings attended |
|---------|-------------------------|------------------------|---------------------------------------|-----------------------------|
| 1. | Mr. U. R. Bhat | Independent Director | 4 | 4 |
| 2. | Mr. Kedar Desai | Independent Director | 4 | 4 |
| 3. | Mr. Chandresh Nigam | Non-Executive Director | 1 | 1 |
| 4. | Mr. Gopkumar Bhaskaran* | Non-Executive Director | 3 | 2 |



| | | |
|--|--|----------|
| Total Meetings held during the year | | 4 |
|--|--|----------|

*Mr. Chandresh Nigam ceased to be the Director w.e.f. April 30, 2023

**Mr. Gop Kumar Bhaskaran was appointed as Non-Executive Director on May 05, 2023.

Further, there were no instances during FY 2023-24 where the Board did not accept recommendation of Audit Committee.

Nomination and Remuneration Committee

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

As on March 31, 2024, the Nomination & Remuneration Committee consisted of the following members:

- Mr. Kedar Desai, *Chairman*
- Mr. U. R. Bhat, *Independent Director*
- Mr. Gop Kumar Bhaskaran, *Non-Executive Director*

During the financial year, 1(one) meeting of the Nomination & Remuneration Committee Meetings was held on April 12, 2023, which was attended by all Members of the Committee as on the date of the Meeting.

Risk Management Committee

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

As on March 31, 2024, the Risk Management Committee consisted of the following members:

- Mr. U. R. Bhat, *Independent Director*
- Mr. Gop Kumar Bhaskaran, *Non-Executive Director*
- Mr. Sumit Shukla, *Managing Director & Chief Executive Officer*
- Mr. Shyamsunder Bhat *Chief Investment Officer*
- Mr. Akash Verma, *Chief Risk Officer*
- Mr. Shail Deshpande, *Compliance Officer & Company Secretary*

During the financial year, 4(four) meetings of the Risk Management Committee were held on April 12, 2023, July 10, 2023, October 10, 2023 and January 9, 2024, which were attended by all Members of the Committee.

Investment Committee

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

As on March 31, 2024, the Investment Committee consisted of the following members:

- Mr. Kedar Desai, *Independent Director*
- Ms. Usha Sangwan, *Independent Director*
- Mr. Neeraj Gambhir, *Non-Executive Director*
- Mr. Sumit Shukla, *Managing Director & Chief Executive Officer*



- Mr. Shyamsunder Bhat *Chief Investment Officer*
- Mr. Akash Verma, *Chief Risk Officer*

During the financial year, 4(four) meetings of the Investment Committee Meetings were held on April 12, 2023, July 10, 2023, October 10, 2023 and January 9, 2024 which was attended by all Members of the Committee.

GENERAL MEETINGS

The 1st Annual General Meeting of your Company was held on June 05, 2023, wherein the following special resolutions were passed:

- Revision in remuneration of Mr. Sumit Shukla, Managing Director & Chief Executive Officer, with effect from April 1, 2023; and
- Approval for waiver for recovery of excess managerial remuneration paid to Mr. Sumit Shukla, Managing Director & Chief Executive Officer, during FY 2022-23.

The 2nd Annual General Meeting of your Company is proposed to be held on May 8, 2024 through Video Conferencing / Other Audio Visual Means.

ANNUAL RETURN

Pursuant to provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return in form MGT-7 of the Company for the financial year ended March 31, 2024, is available on the website of the Company and can be accessed at: www.axispensionfund.com

AUDITORS

Statutory Auditors and their Reports and Notes to Finance

In accordance with Section 139 of the Companies Act, 2013, M/s. GPS & Associates, Chartered Accountants, were appointed as the Statutory Auditors of your Company by the Board of Directors, who shall hold office till the conclusion of the 6th Annual General Meeting of the Company.

The Statutory Auditors Report for FY 2023-24 does not contain any qualification, reservations or adverse remarks.

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

Secretarial Auditor

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

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



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

Cost Records and Auditors

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

The Company has been in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) for the FY 2023-24.

DISCLOSURES PURSUANT TO SCHEDULE V

Details of remuneration paid by the Company to Mr. Sumit Shukla, Managing Director & Chief Executive Officer during the Financial Year ended March 31, 2024, are given below:

| | |
|---|--------------------|
| Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (₹) | 1,57,62,156 |
| Value of perquisites u/s 17(2) Income-tax Act, 1961 (₹) | 12,21,164 |
| Variable Pay / Performance Linked Incentive (₹)* | 87,32,055 |
| Total | 2,57,15,375 |

*Paid in the current year for FY2022-23 upon performance evaluation by the Nomination & Remuneration Committee

Notes:

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

OTHER DISCLOSURES

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

- made any application for restatement of financial statements; or



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

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

The Directors also confirm that:


- There have been no material changes or events since the end of financial year and the date of this report which can have material impact on the financial statements of the Company;
- There was no instance of one time settlement with any Bank or Financial Institution; and
- The Company was not required to spend any amount on Corporate Social Responsibility during the year under review.

ACKNOWLEDGEMENTS

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

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

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


**Neeraj Gambhir
Chairman**

Date : April 15, 2024

Place : Mumbai





N L BHATIA & ASSOCIATES
PRACTISING COMPANY SECRETARIES

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

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

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

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

Date: April 15, 2024

Place: Mumbai



For M/s N. L. Bhatia & Associates
Practising Company Secretaries

UIN: P1996MH055800

P/R No.: 700/2020

Bhaskar Upadhyay
Partner

FCS: 8663

CP. No.: 9625

UDIN: F008663F000128255



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Axis Pension Fund Management Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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



- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') – **Not Applicable during the Financial Year**
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - d. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - h. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

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

We have also examined that the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and the Company has duly replied to notices received from the authorities.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable.



We further report that 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.

Date: April 15, 2024

Place: Mumbai



**For M/s N. L. Bhatia & Associates
Practicing Company Secretaries**

UIN: P1996MH055800

P/R No. 700/2020

Bhaskar Upadhyay

Partner

FCS: 8663

CP. No.: 9625

UDIN: F008663F000128255

Annexure A**1. Tax Laws:**

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

2. Employee Laws:

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

3. Other Acts:

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



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIS PENSION FUND MANAGEMENT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Axis Pension Fund Management Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income/expense, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.



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

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

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts 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 (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

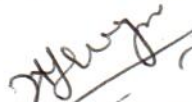
v. The Company has not declared or paid any dividend during the reporting period. Therefore, provisions of section 123 of the Companies Act are not applicable.

vi. Based on our examination, management representation and the audit procedures which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For GPS & Associates
Chartered Accountants
Firm's Registration No: 121344W




H. Y. Gurjar
Partner

Membership No: 032485

UDIN: 24032485BKFAANS224

Place: Mumbai
Date : 15th April, 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of AXIS PENSION FUND MANAGEMENT LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of AXIS PENSION FUND MANAGEMENT LIMITED (“the Company”) as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management and Board of Directors of the Company 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. 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, 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS 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 Ind AS financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

For GPS & Associates
Chartered Accountants

Firm's Registration No: 121344W



A handwritten signature in black ink, appearing to read "H. Y. Gurjar".

H. Y. Gurjar
Partner

Membership No: 032485

UDIN: 24032485BKFAAY5224

Place: Mumbai

Date : 15th April, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Axis Pension Fund Management Limited of even date)

- (i) In respect of Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no Immovable Property in book of accounts of the Company. Accordingly, the provision of paragraph 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.



- (v) The Company has not accepted any deposits from the public and therefore the provisions of the Clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as on 31st March, 2024 for a period of more than six months from the date they became payable.
 - (b) According to the records of the Company, there are no dues of income-tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by 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 subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.



- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filled in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per information and explanations given to us, the Company has not received any whistle blower complaints during the year (and upto the date of this report). Hence, reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures
- (xv) As per information and explanations given to us the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) As explained to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as this is not applicable to the Company. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred Rs 532.13 Lakhs cash losses during the financial year covered by our audit and Rs.1106.62 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year Hence, reporting under clause 3(xviii) of the Order is not applicable.



- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provision of Corporate Social Responsibility under section 135 of the Companies Act, 2013 is not applicable and hence reporting under clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

For GPS & Associates
Chartered Accountants

Firm's Registration No: 121344W



A handwritten signature in black ink, appearing to read "H. Y. Gurjar".

H. Y. Gurjar
Partner

Membership No: 032485

UDIN: 24032485BKFAANS224

Place: Mumbai
Date : 15th April, 2024

AXIS PENSION FUND MANAGEMENT LIMITED

CIN: U66020MH2022PLC382789

Balance Sheet as at March 31st, 2024

(Rs '000)

| Particulars | Note No | As at March 31st, 2024 | As at March 31st, 2023 |
|---|---------|------------------------|------------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 3 | 695 | 2,006 |
| Receivables | | | |
| (i) Trade receivables | 4 | 1,657 | 145 |
| (ii) Other receivables | | | |
| Investments | 5 | 6,03,865 | 5,88,155 |
| Other financial assets | 6 | 17,545 | 1,07,874 |
| Total financial assets | | 6,23,762 | 6,98,180 |
| Non financial assets | | | |
| Current tax assets (Net) | 7 | 1,257 | 593 |
| Deferred tax assets (Net) | | | - |
| Property, plant and equipment | 8 | 18,796 | 35,142 |
| Intangible assets | 8 | 4,549 | 6,390 |
| Intangible assets under development | | | - |
| Other non-financial assets | 9 | 6,506 | 9,741 |
| Total non financial assets | | 31,109 | 51,866 |
| Total assets | | 6,54,871 | 7,50,046 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Financial liabilities | | | |
| Payables | | | |
| Trade payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 10 | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 10 | 627 | 14 |
| Other payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 10 | - | 359 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 10 | 820 | 2,668 |
| Long term borrowing | 11 | | - |
| Other financial liabilities | 12 | 4,714 | 13,679 |
| Total financial liability | | 6,161 | 16,720 |
| Non financial liabilities | | | |
| Provisions | 13 | 21,957 | 16,874 |
| Deferred tax liability (Net) | | - | - |
| Other non-financial liabilities | 14 | 2,189 | 13,333 |
| Total non financial liabilities | | 24,146 | 30,207 |
| Equity | | | |
| Equity share capital | 15 | 8,00,000 | 8,00,000 |
| Other equity | 16 | (1,75,437) | (96,881) |
| Total equity | | 6,24,563 | 7,03,119 |
| Total liabilities and equity | | 6,54,871 | 7,50,046 |

Summary of significant accounting policies - Note 2

The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 42

As per our report of Even Date

For **GPS & Associates**

Chartered Accountants

ICAI Firm Registration No.: 121344W

H.Y. Gurjar

Partner

Membership No. 032485

Mumbai, April 15, 2024



For and on behalf of Board

For Axis Pension Fund Management Limited

Gop Kumar Bhaskaran
Director

DIN: 07223999

Yogesh Trivedi
Chief Financial Officer
Mumbai, April 15, 2024

Sumit Shukla
Managing Director &
Chief Executive Officer
DIN: 09664032

Shail Deshpande
Compliance &
Company Secretary

AXIS PENSION FUND MANAGEMENT LIMITED

CIN: U66020MH2022PLC382789

Statement of Profit and Loss for the year ended March 31st, 2024

(Rs '000)

| Particulars | Note No | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|--|---------|------------------------------------|---|
| Revenue from operations | | | |
| Asset management services | 17 | 7,280 | 437 |
| Net gain on fair value changes | 18 | 17,048 | 29,375 |
| Revenue from operations | | 24,328 | 29,812 |
| Other income | 19 | 30,488 | 5,649 |
| Total Income | | 54,816 | 35,461 |
| Expenses | | | |
| Finance cost | 20 | 776 | 1,172 |
| Employee benefits expenses | 21 | 88,134 | 74,782 |
| Depreciation and amortization expense | 8 | 16,146 | 9,058 |
| Other expenses | 22 | 29,347 | 47,330 |
| Total expenses | | 1,34,403 | 1,32,342 |
| Profit/(Loss) before tax | | (79,587) | (96,881) |
| Tax expense | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Total tax expense | | - | - |
| Profit/(Loss) after tax | | (79,587) | (96,881) |
| Other comprehensive Income | | | |
| Items that will not be reclassified to profit and loss | | | |
| - Remeasurement gains/ (losses) of the Bonds | | (137) | - |
| - Gratuity | | 1,168 | - |
| Total other comprehensive Income | | 1,031 | - |
| Total comprehensive income | | (78,556) | (96,881) |
| Earnings per equity share (Face value Rs 10/-) | | | |
| | 32 | | |
| - Basic | | (0.98) | (1.21) |
| - Diluted | | (0.98) | (1.21) |

Summary of significant accounting policies - Note 2

The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 42

As per our report of Even Date

For **GPS & Associates**

Chartered Accountants

ICAI Firm Registration No.: 121344W

H.V. Gurjar

Partner

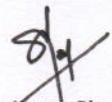
Membership No. 032485

Mumbai, April 15, 2024




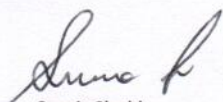
For and on behalf of Board

For Axis Pension Fund Management Limited


Gop. Kumar Bhaskaran
 Director

DIN: 07223999


Yogesh Trivedi
 Chief Financial Officer
 Mumbai, April 15, 2024


Sumit Shukla
 Managing Director &
 Chief Executive Officer
 DIN: 09664032


Shail Deshpande
 Compliance &
 Company Secretary


Axis Pension Fund Management Limited

CIN: U66020MH2022PLC382789

Cash flow statement for the year ended March 31st, 2024

(Rs '000)

| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|--|------------------------------------|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation and extraordinary items | (79,587) | (96,881) |
| Add/ (Less): Adjustments for | | |
| Depreciation | 15,621 | 9,058 |
| Interest on Lease Liability | 776 | 1,172 |
| Interest on Fixed Deposit | (5,029) | (5,490) |
| Impairment on Bonds | 9 | - |
| (Unrealized gain)/ loss on Investments | 15,006 | (18,468) |
| (Realized gain)/ Loss on sale of investments | (32,054) | (10,907) |
| Operating Profit before changes in assets and liabilities | (85,258) | (1,21,516) |
| Increase/ (Decrease) in Trade payables | (1,594) | 3,041 |
| Increase/ (Decrease) in Other Long-term liabilities | (5,385) | (5,544) |
| Increase/ (Decrease) in Provisions | 5,083 | 16,874 |
| Increase/ (Decrease) in Other current liabilities | (11,144) | 13,333 |
| (Increase)/ Decrease in Long-term loans and advances | - | (300) |
| (Increase)/ Decrease in Other current assets | 3,235 | (9,741) |
| (Increase)/ Decrease in Trade receivables | (1,512) | (145) |
| Cash generated from operations | (96,575) | (1,03,998) |
| Income-tax paid (net of refund) | (664) | (593) |
| Net cash from operating activities | (97,239) | (1,04,591) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (6,951) | (32,540) |
| Proceeds from sale of fixed assets | 9,282 | - |
| Purchase of Investments | (10,39,881) | (11,81,500) |
| Proceeds from sale of investments | 10,23,450 | 6,22,720 |
| Fixed Deposits made with Bank | - | (16,35,000) |
| Redemption of Fixed Deposit | 1,05,000 | 15,30,000 |
| Interest Received | 5,029 | 2,917 |
| Net cash used in investing activities | 95,929 | (6,93,404) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Share capital - Equity | - | 8,00,000 |
| Net cash from/ (used in) financing activities | - | 8,00,000 |
| Net (Decrease)/ Increase in cash and cash equivalents | (1,311) | 2,006 |
| Cash and cash equivalents at the beginning of the year | 2,006 | - |
| Cash and cash equivalents at the end of the year | 695 | 2,006 |

Summary of significant accounting policies - Note 2

The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 42

As per our report of Even Date

For GPS & Associates

Chartered Accountants

ICAI Firm Registration No.: 121344W

H.Y. Gurjar

Partner

Membership No. 032485

Mumbai, April 15, 2024



For and on behalf of Board

For Axis Pension Fund Management Limited

Govind Kumar Bhaskaran
Director

DIN: 07223999

Yogesh Trivedi
Chief Financial Officer
Mumbai, April 15, 2024

Sumit Shukla
Managing Director &
Chief Executive Officer
DIN: 09664032

Shail Deshpande
Compliance &
Company Secretary

AXIS PENSION FUND MANAGEMENT LIMITED

CIN: U66020MH2022PLC382789

Statement of changes in equity the period ended March 31st, 2024

Equity share capital (Rs '000)

| Particulars | Balance as at 01st April, 2023 | Changes in equity share capital due to prior period error | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the period | Balance at the end of the year |
|--|--------------------------------|---|---|---|--------------------------------|
| Equity shares of Rs 10 each ,fully paid up As at March 31st, 2024 | 8,00,000 | - | - | - | 8,00,000 |

Equity share capital (Rs '000)

| Particulars | Balance as at 17th May, 2022 | Changes in equity share capital due to prior period error | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the period | Balance at the end of the year |
|---|------------------------------|---|---|---|--------------------------------|
| Equity shares of Rs 10 each, fully paid up As at 31st March 2023 | 8,00,000 | - | 8,00,000 | - | 8,00,000 |

Other Equity (Rs '000)

| Particulars | Security Premium | Share option Outstanding account | Retained Earning | Total |
|-----------------------------------|------------------|----------------------------------|-------------------|-----------------|
| Balance as at 1st April 2023 | - | - | (96,881) | - |
| Profit/(loss) for the year | - | - | (79,587) | (96,881) |
| Other Comprehensive Income | - | - | 1,031 | - |
| Total comprehensive income | - | - | (1,75,437) | (96,881) |
| Change during the year | - | - | (1,75,437) | (96,881) |
| Balance as at 31st March 2024 | - | - | (1,75,437) | (96,881) |

Summary of significant accounting policies

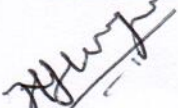
The accompanying explanatory notes are an integral part of the Financial statement - Note 3 to 42

As per our report of Even Date

For **GPS & Associates**

Chartered Accountants

ICAI Firm Registration No.: 121344W



H.Y. Gurjar

Partner

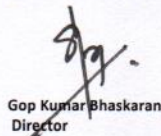
Membership No. 032485

Mumbai, April 15, 2024



For and on behalf of Board

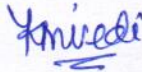
For Axis Pension Fund Management Limited


Gop Kumar Bhaskaran
Director

DIN: 07223999


Sumit Shukla
Managing Director &
Chief Executive Officer

DIN: 09664032



Yogesh Trivedi
Chief Financial Officer
Mumbai, April 15, 2024



Shail Deshpande
Compliance &
Company Secretary



AXIS PENSION FUND MANAGEMENT LIMITED
CIN: U66020MH2022PLC382789

3. Cash and cash equivalents

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|---|------------------------|------------------------|
| Balances with bank in - current account | 695 | 2,006 |
| Cash on hand | - | - |
| | <u>695</u> | <u>2,006</u> |

4. Trade receivables

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|------------------------|------------------------|
| Unsecured Trade receivable - Considered good | 1,657 | 145 |
| Other Receivables | - | - |
| Receivable related parties | - | - |
| Less: Allowance for impairment loss | - | - |
| Total trade receivables | <u>1,657</u> | <u>145</u> |

Trade Receivable ageing schedule

As at March 31st, 2024

(Rs '000)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|------------------|-----------|-----------|--------------|
| | Less than Six Months | 6 Months -1 year | 1 -2 year | 2 -3 year | |
| Undisputed Trade Receivables – considered good | 1,657 | - | - | - | 1,657 |
| | <u>1,657</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,657</u> |

As at March 31st, 2023

(Rs '000)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|------------------|-----------|-----------|------------|
| | Less than Six Months | 6 Months -1 year | 1 -2 year | 2 -3 year | |
| Undisputed Trade Receivables – considered good | 145 | - | - | - | 145 |
| | <u>145</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>145</u> |

5. Investments

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|------------------------|------------------------|
| At fair value through OCI | | |
| Government Securities | 1,99,043 | - |
| State Government Securities | 1,53,760 | - |
| Non-Convertible Debentures | 1,49,668 | - |
| Less: Allowance for impairment | (9) | - |
| Total | <u>5,02,461</u> | <u>-</u> |
| At fair value through profit & loss | | |
| Mutual funds | 1,01,404 | 5,88,155 |
| Equity shares | - | - |
| Total gross investments | <u>6,03,865</u> | <u>5,88,155</u> |
| Investments outside India | - | - |
| Investments in India | 6,03,865 | 5,88,155 |
| Total gross investments | <u>6,03,865</u> | <u>5,88,155</u> |

6. Other financial assets

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|-----------------------------------|------------------------|------------------------|
| At Amortized Cost | | |
| Fixed Deposit with Bank | - | 1,05,000 |
| Security deposits | 300 | 300 |
| Accrued Interest on Fixed Deposit | - | 2,574 |
| Accrued Interest on Bonds | 17,245 | - |
| | <u>17,545</u> | <u>1,07,874</u> |

7. Current tax assets

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|--|------------------------|------------------------|
| Income tax paid in advance (Net of provisions) | 1,257 | 593 |
| | <u>1,257</u> | <u>593</u> |



AXIS PENSION FUND MANAGEMENT LIMITED

CIN: U66020MH2022PLC382789

8. Property, plant and equipment and intangible assets

(Rs '000)

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|---------------------------------------|---------------|-------------------------|------------------------|----------------------|--------------------------|----------------|------------|----------------------|----------------------|----------------------|
| | April 1, 2023 | Additions / Adjustments | Deductions / Reversals | As at March 31, 2024 | April 1, 2023 | For the Period | Deductions | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Property plant & equipment | | | | | | | | | | |
| Computers | 19,011 | 3,655 | 5,600 | 17,066 | 1,836 | 6,079 | 518 | 7,397 | 9,669 | 17,175.00 |
| Furniture & fixtures | - | 308 | - | 308 | - | 31 | - | 31 | 277 | - |
| Office equipments | 1,961 | 1,046 | - | 3,007 | 270 | 613 | - | 883 | 2,124 | 1,691.00 |
| Leasehold improvements | 4,162 | 630 | - | 4,792 | 974 | 1,796 | - | 2,770 | 2,022 | 3,188.00 |
| Right to use asset | - | - | - | - | - | - | - | - | - | - |
| - Property | 18,050 | - | 3,682 | 14,368 | 4,962 | 4,702 | - | 9,664 | 4,704 | 13,088.00 |
| a | 43,184 | 5,640 | 9,282 | 39,542 | 8,042 | 13,222 | 518 | 20,746 | 18,796 | 35,142.00 |
| Intangible assets | | | | | | | | | | |
| Software | 7,406 | 1,311 | 235 | 8,482 | 1,016 | 2,924 | 6 | 3,934 | 4,549 | 6,390.00 |
| b | 7,406 | 1,311 | 235 | 8,482 | 1,016 | 2,924 | 6 | 3,934 | 4,549 | 6,390.00 |
| Total | 50,590 | 6,951 | 9,517 | 48,024 | 9,058 | 16,146 | 525 | 24,679 | 23,345 | 41,532.00 |

| 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 | - | 19,011 | - | 19,011 | - | 1,836 | - | 1,836 | 17,175 | - |
| Furniture & fixtures | - | - | - | - | - | - | - | - | - | - |
| Office equipments | - | 1,961 | - | 1,961 | - | 270 | - | 270 | 1,691 | - |
| Leasehold improvements | - | 4,162 | - | 4,162 | - | 974 | - | 974 | 3,188 | - |
| Right to use asset | - | - | - | - | - | - | - | - | - | - |
| - Property | - | 18,050 | - | 18,050 | - | 4,962 | - | 4,962 | 13,088 | - |
| a | - | 43,184 | - | 43,184 | - | 8,042 | - | 8,042 | 35,142 | - |
| Intangible assets | | | | | | | | | | |
| Software | - | 7,406 | - | 7,406 | - | 1,016 | - | 1,016 | 6,390 | - |
| b | - | 7,406 | - | 7,406 | - | 1,016 | - | 1,016 | 6,390 | - |
| Total | - | 50,590 | - | 50,590 | - | 9,058 | - | 9,058 | 41,532 | - |

* Hypothecated with Axis bank



AXIS PENSION FUND MANAGEMENT LIMITED
CIN: U66020MH2022PLC382789

9. Other non-financial assets

| Particulars | (Rs '000) | |
|---|------------------------|------------------------|
| | As at March 31st, 2024 | As at March 31st, 2023 |
| Prepaid expenses (Other) | 930 | 26 |
| Other Non-financial assets | 3 | 16 |
| Balances with statutory/ Government tax authorities | 5,573 | 9,699 |
| | 6,506 | 9,741 |

10. Payables

| Particulars | (Rs '000) | |
|--|------------------------|------------------------|
| | As at March 31st, 2024 | As at March 31st, 2023 |
| Trade Payables | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 627 | 14 |
| Other Payables | | |
| Total outstanding dues of micro enterprises and small enterprises | - | 359 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 820 | 2,668 |
| - Related party | - | 307 |
| - Others | 820 | 2,361 |
| | 820 | 2,668 |

Trade payable ageing schedule

| Particulars | (Rs '000) | | | |
|--|--|-----------|-----------|--------------|
| | Outstanding for following periods from due date of payment | | | |
| | Less than 1 year | 1 -2 year | 2 -3 year | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,447 | - | - | 1,447 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| | 1,447 | - | - | 1,447 |

As at March 31st, 2023

| Particulars | (Rs '000) | | | |
|--|--|-----------|-----------|--------------|
| | Outstanding for following periods from due date of payment | | | |
| | Less than 1 year | 1 -2 year | 2 -3 year | Total |
| Total outstanding dues of micro enterprises and small enterprises | 359 | - | - | 359 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,682 | - | - | 2,682 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| | 3,041 | - | - | 3,041 |



AXIS PENSION FUND MANAGEMENT LIMITED
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11. Long term borrowing

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|-----------------|------------------------|------------------------|
| Vehical loan | | |
| - Related party | - | - |
| - Others | - | - |
| | <u>-</u> | <u>-</u> |

12. Other financial liabilities

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|-----------------|------------------------|------------------------|
| Lease liability | 4,714 | 13,679 |
| | <u>4,714</u> | <u>13,679</u> |

13. Provision

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|---|------------------------|------------------------|
| Provision for employee benefits | | |
| - Provision for gratuity | 926 | 624 |
| - Provision for salaries and allowances | 9,054 | 16,250 |
| - Other Provision | 11,977 | - |
| | <u>21,957</u> | <u>16,874</u> |

14. Other non-financial liabilities

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|----------------|------------------------|------------------------|
| Statutory dues | 1,989 | 3,633 |
| Other dues | 200 | 9,700 |
| | <u>2,189</u> | <u>13,333</u> |



AXIS PENSION FUND MANAGEMENT LIMITED
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15. Share capital

| Particulars | As at March 31st, 2024 | |
|---------------------------------------|------------------------|-----------|
| | No. of Shares | (Rs '000) |
| Authorized | | |
| Equity Shares, Rs 10/- each | | |
| As at March 31st, 2024 | 10,00,00,000 | 10,00,000 |
| Issued, subscribed and paid-up | | |
| Equity Shares, Rs 10/- each | | |
| As at March 31st, 2024 | 8,00,00,000 | 8,00,000 |

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

a. Terms/ rights attached to equity shares

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

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

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

Equity Shares

| Particulars | Outstanding as at 01st April, 2023 | Add: Shares issued during the year | Add: Bonus shares issued during the year | Outstanding at the end of the Period |
|-----------------------------|------------------------------------|------------------------------------|--|--------------------------------------|
| | | | | No of Shares |
| Equity Shares, Rs 10/- each | | | | |
| As at March 31st, 2024 | 8,00,00,000 | - | - | 8,00,00,000 |

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

| | Equity Shares, Rs 10/- each | | Equity Shares, Rs 10/- each | |
|---------------------------------------|-----------------------------|----------------|-----------------------------|----------------|
| | As at March 31st, 2024 | | As at March 31st, 2023 | |
| | No of Shares | % Held | No of Shares | % Held |
| Axis Asset Management Company Limited | 4,08,00,000 | 51% | 4,08,00,000 | 51% |
| QRG Investments and Holdings Limited | 1,59,92,000 | 19.99% | 1,59,92,000 | 19.99% |
| MEMG Family Office LLP | 1,59,92,000 | 19.99% | 1,59,92,000 | 19.99% |
| Axis Bank Limited and its Nominees | 72,16,000 | 9.02% | 72,16,000 | 9.02% |
| Total | 8,00,00,000 | 100.00% | 8,00,00,000 | 100.00% |

d. Details of share held by Promoters

| | Equity Shares, Rs 10/- each | | Equity Shares, Rs 10/- each | |
|---------------------------------------|-----------------------------|--------|-----------------------------|--------|
| | As at March 31st, 2024 | | As at March 31st, 2023 | |
| | No of Shares | % Held | No of Shares | % Held |
| Axis Asset Management Company Limited | 4,08,00,000 | 51% | 4,08,00,000 | 51% |
| Axis Bank Limited and its Nominees | 72,16,000 | 9.02% | 72,16,000 | 9.02% |

16. Other Equity

| Particulars | (Rs '000) | |
|--|------------------------|------------------------|
| | As at March 31st, 2024 | As at March 31st, 2023 |
| Surplus/(deficit) in statement of profit & loss | | |
| Opening balance | (96,881) | - |
| Add: Profit/Loss for the Period | (79,587) | (96,881) |
| Add: Other comprehensive income | 1,031 | - |
| Closing balance | (1,75,437) | (96,881) |
| Total | (1,75,437) | (96,881) |



AXIS PENSION FUND MANAGEMENT LIMITED

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17. Management Fees

(Rs '000)

| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|-----------------------------------|------------------------------------|---|
| Fund management fees (net of GST) | 7,280 | 437 |
| | 7,280 | 437 |

18. Net gain on fair value changes

(Rs '000)

| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|--|------------------------------------|---|
| Net gain/(loss) on financial instruments at FVTPL - On Investment | 17,048 | 29,375 |
| Total | 17,048 | 29,375 |
| Fair value changes | | |
| Realised | 32,054 | 10,907 |
| Unrealised | (15,006) | 18,468 |
| Total | 17,048 | 29,375 |

19. Other Income

(Rs '000)

| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|-------------------------------|------------------------------------|---|
| Interest on Income Tax Refund | 24 | - |
| Interest on Fixed Deposit | 5,029 | 5,490 |
| Interest on Bonds | 23,732 | |
| Miscellaneous income | 1,703 | 159 |
| | 30,488 | 5,649 |

20. Finance cost

(Rs '000)

| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|-----------------------------|------------------------------------|---|
| Interest on lease liability | 776 | 1,172 |
| | 776 | 1,172 |

21. Employee benefits expense

(Rs '000)

| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|---|------------------------------------|---|
| Salaries, wages & allowances | 84,433 | 70,078 |
| Contribution to provident funds & other funds | 2,938 | 2,344 |
| Staff welfare expenses | 763 | 2,360 |
| | 88,134 | 74,782 |

22. Other Expenses

(Rs '000)

| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
|---|------------------------------------|---|
| Sales, marketing advertisement and publicity expenses | 3,868 | 625 |
| Rent | 1,816 | 2,296 |
| Rates and taxes | 339 | 206 |
| Custodial Charges | 100 | - |
| Establishment expenses | 589 | 402 |
| Communication expenses | - | 45 |
| Outsourced services cost | 799 | 585 |
| Legal expenses and professional fees | 8,131 | 23,667 |
| Travelling, lodging and conveyance | 3,025 | 1,420 |
| Computer and software related cost | 3,463 | 3,374 |
| Printing and stationery | 209 | 279 |
| Membership and subscriptions | 1,189 | 750 |
| Auditors fees and expenses | 380 | 200 |
| - Other matters | - | - |
| Directors sitting fees | 3,700 | 3,300 |
| Provision for taxation matters | 720 | 9,700 |
| Miscellaneous expenses | 1,020 | 481 |
| | 29,347 | 47,330 |



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

Company overview

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

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

The financial statements were approved for issue in accordance with a resolution of the directors on April 15th, 2024.

1. Basis of preparation

a) Statement of compliance

These financial statements have been prepared and presented on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time.

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

b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity.

c) Functional and presentation currency

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

d) Basis of measurement

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

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



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

2. Significant accounting policies

2.1. Cash and Cash Equivalents

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

2.2. Financial instruments

Recognition and initial measurement

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

Classification and subsequent measurement

Financial assets

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

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

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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. |
|---------------------------|--|



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

| | |
|------------------------------------|--|
| | Cost of mutual funds has been derived on the basis of weighted average cost method. |
| 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 or FVOCI. ECL has not been determined on financial assets measured at FVTPL. The Company recognizes a loss allowance for such losses at each reporting date. 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.

The Company records allowance for expected credit losses (ECL) for all debt investments (except GSEC & SGSEC). The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. At the end of each reporting period, the Company performs an assessment of whether the investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset. This includes both quantitative and qualitative information which takes into account the Company's historical credit loss experience, current economic condition, forward looking information and scenario analysis.

The expected credit loss is a product of Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on their risk profiles. The three stages reflect the general pattern of credit deterioration of a financial asset.

The company categorizes financial assets at the reporting date into stages based on the days past due (DPD) status as under:

Stage 1: 0 to 30 days past due

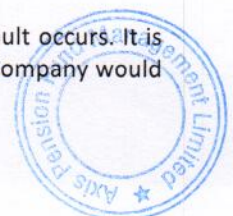
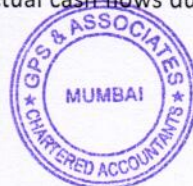
Stage 2: 31 to 90 days past due

Stage 3: more than 90 days past due

Probability of Default (PD): It is an estimate of the likelihood of default over a given time horizon. In order to estimate the PDs, studies on defaults available in public domain.

Exposure at Default (EAD): Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD): LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would



Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

expect to receive, including from the realization of any security. The company shall use the RBI FIRB rate for loss given default (LGD)

Based on the above, the Company categorizes its Assets into Stage 1, Stage 2 and Stage 3 as under:

Stage 1: When Assets are first recognized, the Company recognises an allowance based on 12 months' expected credit loss.

Stage 2: When an Asset has shown significant increase in credit risk since origination, the Company records an allowance for the life time expected credit loss.

Stage 3: When an Assets is credit impaired, the Company records an allowance for the life time expected credit loss.

Credit - impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

Significant financial difficulty of the borrower or issuer;

A breach of contract such as a default or past due event;

The disappearance of an active market for a security because of financial difficulties; or

The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments which are financial assets measured at amortized cost or FVTOCI, are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors, such as bond yields, credit ratings and the ability of the borrower to raise funding.

Significant Increase in Credit Risk

The Company monitors all financial assets, that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk, since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, that are subject to impairment for significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable, and supportable, including historical experience and forward-looking information, that is available without undue cost or effort, based on the Company's historical experience.

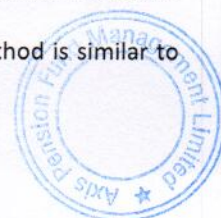
Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

ECL is calculated as under:

Stage 1: The Company calculates the 12 months' ECL based on the expectation of a default occurring within 12 months from the reporting date. The expected 12-month PD is applied to the EAD and multiplied by the expected LGD.

Stage 2: When an Asset has shown significant increase in credit risk since origination, the Company records an allowance for life time expected credit loss as above, but the PD and LGD is estimated over the lifetime of the Asset.

Stage 3: For Assets considered credit impaired, life time ECL is recognized. The method is similar to that for Stage 2 assets, with the PD set at 100%.



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

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.



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

| 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 |

*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



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

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

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

Nature of services - Asset Management Services.

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

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

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

Other income

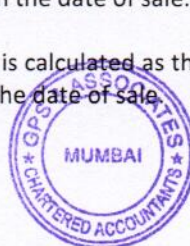
Other Income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

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

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

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

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



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

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

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

2.7. Employee benefits

Short-term employee benefits

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

Defined contribution plans

Provident Fund

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

Defined benefit plan

Gratuity

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

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

2.8. Accounting for Leases as lessee

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



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Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

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 in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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

Short term lease

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

2.9. Provisions and Contingencies

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

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

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible



AXIS PENSION FUND MANAGEMENT LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

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.

2.10. Taxes on income

The tax expense comprises current tax and deferred tax.

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

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

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

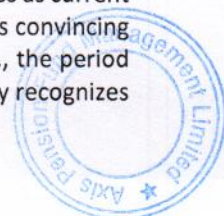
Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of losses, the Company recognises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

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

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes



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Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2024

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.

2.11. Earnings per share (EPS)

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



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Notes to financial statements for the year ended March 31st, 2024

23 Contingent liabilities

The company has carried out assesment as per the requirements of Ind AS 12 and hence no provision and disclosure is considered necessary

24 Capital commitments

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

25 Trade payable

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

| (Rs '000) | | |
|---|------------------------|------------------------|
| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
| Principal amount remaining unpaid to any supplier as at the year end | - | 359 |
| 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 '000) | | |
|---|---------------------------------|---|
| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
| Employer's contribution to provident fund | 2,938 | 2,344 |

Defined benefit plans

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

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

| (Rs '000) | | | |
|---|-----------------------------|--------------------------|------------------------------|
| Particulars | As at March 31st, 2024 | | |
| | Present value of obligation | Fair value of Plan Asset | Net Amount (asset)/liability |
| Opening Balance | 624 | - | 624 |
| Current Service cost | 1,424 | - | 1,424 |
| Interest on defined benefit obligation / Asset | 46 | - | 46 |
| (Gain)/Loss from change in Financial assumption | (213) | - | (213) |
| (Gain)/Loss from change in Demographic assumption | 64 | - | 64 |
| (Gain)/Loss from change in experience assumption | (1,019) | - | (1,019) |
| Transfer out | - | - | - |
| Employer contribution | - | - | - |
| Benefit payments | - | - | - |
| Return on Plan assets | - | - | - |
| Closing balance | 926 | - | 926 |

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

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

| (Rs '000) | | |
|---------------------------------|------------------------|------------------------|
| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
| Present value of plan liability | 926 | 624 |
| Fair Value of plan assets | - | - |
| Net | 926 | 624 |



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Notes to financials statements for the year ended March 31st, 2024

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)

Our Parent Company "Axis Bank Limited, ("the Bank"), has approval to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. 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.

Expense arising from employee stock option charge

| Particulars | (Rs '000) | |
|---|------------------------------------|---|
| | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
| Employee stock option scheme (equity settled) | 8,234 | - |
| Total | 8,234 | - |

In addition to the above, Rs. 4.26 Lacs has been paid to Axis Bank limited towards the ESOP cost reimbursement (calculated using the fair value of options) for the employees deputed from the Bank.

29 Corporate Social Responsibility

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

30 Breakup of Auditors' remuneration

| Particulars | (Rs '000) | |
|---------------------|------------------------------------|---|
| | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
| Audit fees | 180 | 200 |
| Limited review fees | 200 | - |
| Other matters | 5 | - |
| Total | 385 | 200 |

31 Segment information

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

32 Earnings Per Share

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

| Particulars | (Rs '000) | |
|--|------------------------------------|---|
| | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
| (a) Nominal value of an Equity share (Rs) | 10 | 10 |
| (b) Net profit available to Equity shareholders (Rs) | (78,556) | (96,882) |
| (c) Weighted average number of shares outstanding | 8,00,00,000 | 8,00,00,000 |
| (d) Basic and Diluted EPS (Rs) = (b)/ (c) | (0.98) | (1.21) |



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Notes to financial statements for the year ended March 31st, 2024

33 Income tax expenses

The company has incurred losses in the current year as well as previous year hence no income tax expense has been recognised in books of accounts for F.Y. 2023-24 (F.Y. 2022-23 Rs - Nil)

Deferred tax assets/liabilities

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

Estimated Deferred Tax Asset of Rs 44,384/- (Rs '000) for F.Y. 2023-24 (Rs 24,383/- (Rs. '000) F.Y. 2022-23) not recognized in Books of Accounts in absence of convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the company.

34 Intangible Asset Under development

No intangible assets of the company are under development as on 31st March, 2024 (as at 31st March,2023 - Nil)

35 Fair Value Measurement

Financial Instruments by category

(Rs '000)

| Particulars | As at March 31st, 2024 | | | |
|----------------------------------|------------------------|------------------------|------------------------|----------------|
| | Carrying Value | Fair Value | | |
| | | Fair Value Through P&L | Fair Value Through OCI | Amortized cost |
| Financial Assets: | | | | |
| Cash and Cash equivalent | 695 | - | - | 695 |
| Receivables | 1,657 | - | - | 1,657 |
| <u>Investments</u> | | | | |
| Mutual fund | 97,942 | 1,01,404 | - | - |
| Bonds | 5,02,571 | - | 5,02,461 | - |
| Fixed Deposit | - | - | - | - |
| Equity Instrument | - | - | - | - |
| Other Financial Assets | 17,545 | - | - | 17,545 |
| Total Financial Assets | 6,20,410 | 1,01,404 | 5,02,461 | 19,897 |
| Financial Liability: | | | | |
| Trade and other payable | 1,447 | - | - | 1,447 |
| Long term borrowings | - | - | - | - |
| Other financial Liabilities | 4,714 | - | - | 4,714 |
| Total Financial Liability | 6,161 | - | - | 6,161 |

(Rs '000)

| Particulars | As at March 31st, 2023 | | | |
|----------------------------------|------------------------|------------------------|------------------------|-----------------|
| | Carrying Value | Fair Value | | |
| | | Fair Value Through P&L | Fair Value Through OCI | Amortized cost |
| Financial Assets: | | | | |
| Cash and Cash equivalent | 2,006 | - | - | 2,006 |
| Receivables | 145 | - | - | 145 |
| <u>Investments</u> | | | | |
| Mutual fund | 5,69,687 | 5,88,155 | - | - |
| Fixed Deposit | - | - | - | - |
| Equity Instrument | - | - | - | - |
| Other Financial Assets | 1,07,874 | - | - | 1,07,874 |
| Total Financial Assets | 6,79,711 | 5,88,155 | - | 1,10,024 |
| Financial Liability: | | | | |
| Trade and other payable | 3,041 | - | - | 3,041 |
| Long term borrowings | - | - | - | - |
| Other financial Liabilities | 13,679 | - | - | 13,679 |
| Total Financial Liability | 16,720 | - | - | 16,720 |



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Notes to financial statements for the year ended March 31st, 2024

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

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 & Bonds at FVOCI |
| Market Risk- Price | Units of mutual funds & Bonds |
| 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.

A) Credit Quality Analysis

| Particulars | Date of valuation | As at March 31st, 2024 | | | |
|---|-------------------|------------------------|----------------------------------|------------------------------|----------|
| | | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total |
| Financial Assets: Measured at Fair Value | | | | | |
| Investments at FVOCI - Bonds | | | | | |
| Current | March 31 2024 | 5,02,470 | - | - | 5,02,470 |
| Past due 0-30 days | | - | - | - | - |
| Past due 31-90 days | | - | - | - | - |
| Past due 90 days | | - | - | - | - |
| Less: Allowance for Impairment | | (9) | | | (9) |
| Carrying Value | | 5,02,461 | - | - | 5,02,461 |

Market Risk- Price

The company's exposure to mutual 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, 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 '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|-----------------------|------------------------|------------------------|
| NAV - Increased by 5% | 5,070 | 29,408 |
| NAV - decreased by 5% | (5,070) | (29,408) |

The company's exposure to Bonds price risk arises from investments held by the company and classified in the balance sheet at fair value through other comprehensive income

Company's investments are Bonds, consequently, exposes to risk of fluctuation in the market price. Market price of such instrument are closely linked to movement in bond market indices.

(Rs '000)

| Particulars | As at March 31st, 2024 | As at March 31st, 2023 |
|-------------------------|------------------------|------------------------|
| Price - Increased by 5% | 25,124 | - |
| Price - decreased by 5% | (25,124) | - |

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 at March 31st, 2024 | | | As at March 31st, 2023 | | |
|--------------------------------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| (Rs '000) | | | | | | |
| Assets | | | | | | |
| Financial Asset | | | | | | |
| Cash and cash equivalents | 695 | - | 695 | 2,006 | - | 2,006 |
| Receivables | | | | | | |
| (i) Trade Receivables | 1,657 | - | 1,657 | 145 | - | 145 |
| (ii) Other Receivables | | | | | | |
| Investments | 1,01,404 | 5,02,461 | 6,03,865 | - | 5,88,155 | 5,88,155 |
| Other Financial Asset | 17,545 | - | 17,545 | 2,574 | 1,05,300 | 1,07,874 |
| Total Financial Asset | 1,21,301 | 5,02,461 | 6,23,762 | 4,724 | 6,93,455 | 6,98,179 |
| Non Financial Asset | | | | | | |
| Current tax Assets (Net) | 1,257 | - | 1,257 | 593 | - | 593 |
| Deferred tax Assets (Net) | - | - | - | - | - | - |
| Property, Plant and Equipment | - | 18,796 | 18,796 | - | 35,142 | 35,142 |
| Intangible assets | - | 4,549 | 4,549 | - | 6,389 | 6,389 |
| Intangible assets under development | - | - | - | - | - | - |
| Other non-financial assets | - | 6,506 | 6,506 | 41 | 9,700 | 9,741 |
| Total Non Financial Asset | 1,257 | 29,851 | 31,108 | 634 | 51,231 | 51,865 |
| Total Assets | 1,22,558 | 5,32,312 | 6,54,871 | 5,359 | 7,44,686 | 7,50,044 |
| Liabilities | | | | | | |
| Payables | 1,447 | - | 1,447 | 3,041 | - | 3,041 |
| Long term borrowing | - | - | - | - | - | - |
| Other financial liabilities | 3,819 | 895 | 4,714 | 6,943 | 6,736 | 13,678 |
| Total Financial Liability | 5,266 | 895 | 6,161 | 9,984 | 6,736 | 16,719 |
| Non Financial Liabilities | | | | | | |
| Provision | 21,031 | 926 | 21,957 | 16,250 | 624 | 16,874 |
| Deferred tax liability (Net) | - | - | - | - | - | - |
| Other non-financial liabilities | 2,189 | - | 2,189 | 3,633 | 9,700 | 13,333 |
| Total Non Financial Liability | 23,220 | 926 | 24,146 | 19,883 | 10,324 | 30,207 |
| Total Liabilities | 28,486 | 1,821 | 30,307 | 29,867 | 17,060 | 46,926 |

37 Lease

| Particulars | (Rs '000) | |
|--|------------------------|------------------------|
| | As at March 31st, 2024 | As at March 31st, 2023 |
| Lease liability | | |
| Opening | 13,678 | - |
| Additions | - | 18,050 |
| Accretion of interest | 776 | 1,172 |
| Payments | (9,741) | (5,544) |
| Closing Balance | 4,714 | 13,678 |
| Lease Liability as on March 31st, 2024 | 4,714 | - |
| Lease Liability as on March 31st, 2023 | - | 13,678 |

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

| Particulars | (Rs '000) | |
|---|------------------------|------------------------|
| | As at March 31st, 2024 | As at March 31st, 2023 |
| Payable not later than 1 year | 4,076 | 6,944 |
| Payable later than 1 year but not later than 5 year | 920 | 8,073 |
| Payable later than 5 year | - | - |

| Particulars | (Rs '000) | |
|---|---------------------------------|---|
| | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 |
| Depreciation expense of right-of-use assets | 4,702 | 4,962 |
| Interest expense on lease liabilities | 776 | 1,172 |
| Expense relating to short-term leases (included in other expenses) | - | - |
| Expense relating to leases of low-value assets (included in other expenses) | - | - |
| Variable lease payments (included in other expenses) | - | - |
| Total amount recognised in profit or loss | 5,478 | 6,135 |

Some of the leases contain extension and termination options. Such options are considered while determining the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at 31 March 2024.



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Fair value hierarchy

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

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

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

| | | (Rs '000) | | | |
|--|-------------------|------------------------|----------|---------------|-----------------|
| Particulars | Date of valuation | As at March 31st, 2024 | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial Assets: Measured at Fair Value | | | | | |
| Investments at FVTPL | | | | | |
| Mutual fund | March 31 2024 | 1,01,404 | - | - | 1,01,404 |
| Investments at FVOCI | | | | | |
| Bonds | March 31 2024 | 5,02,461 | - | - | 5,02,461 |
| Financial Assets: Not Measured at Fair Value | | | | | |
| Cash and Cash equivalent | March 31 2024 | - | - | 695 | 695 |
| Receivables | March 31 2024 | - | - | 1,657 | 1,657 |
| Other Financial Assets | March 31 2024 | - | - | 17,545 | 17,545 |
| Total Financial Assets | | 6,03,865 | - | 19,897 | 6,23,762 |
| Financial Liabilities: Not Measured at Fair Value | | | | | |
| Trade and other payable | March 31 2024 | - | - | 1,447 | 1,447 |
| Other financial Liabilities | March 31 2024 | - | - | 4,714 | 4,714 |
| Total Financial Liabilities | | - | - | 6,161 | 6,161 |

| | | (Rs '000) | | | |
|--|-------------------|------------------------|----------|-----------------|-----------------|
| Particulars | Date of valuation | As at March 31st, 2023 | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Financial Assets: Measured at Fair Value | | | | | |
| Investments at FVTPL | | | | | |
| Mutual fund | March 31 2023 | 5,88,155 | - | - | 5,88,155 |
| Investments at FVOCI | | | | | |
| Bonds | March 31 2023 | - | - | - | - |
| Financial Assets: Not Measured at Fair Value | | | | | |
| Cash and Cash equivalent | March 31 2023 | - | - | 2,006 | 2,006 |
| Receivables | March 31 2023 | - | - | 145 | 145 |
| Other Financial Assets | March 31 2023 | - | - | 1,07,874 | 1,07,874 |
| Total Financial Assets | | 5,88,155 | - | 1,10,025 | 6,98,180 |
| Financial Liabilities: Not Measured at Fair Value | | | | | |
| Trade and other payable | March 31 2023 | - | - | 3,041 | 3,041 |
| Other financial Liabilities | March 31 2023 | - | - | 13,679 | 13,679 |
| Total Financial Liabilities | | - | - | 16,720 | 16,720 |

For all of the financial assets and liabilities which are not carried at fair value, the carrying amounts approximates the fair values, where considering the limited / lack of availability of observable inputs for fair valuation and considering the nature of such items / transactions, management has disclosed the carrying amounts as the fair values

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 |
| Bonds | Quoted Price declared in active markets |



AXIS PENSION FUND MANAGEMENT LIMITED

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Notes to financial statements for the year ended March 31st, 2024

38 Other Regulatory information:

- The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property
- The company does not have any transactions with companies struck off.
- The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- company has not been declared as wilful defaulter by any bank or financial institution or other lender
- The company has not entered any transaction related to foreign currency, hence the disclosure for the same is not applicable.
- The company operates in one primary segment, hence segment reporting is not applicable

39 Related party transactions

The related parties of the Company are as follows:

- A) Holding Company : Axis Asset Management Company Limited
- B) Ultimate Holding Company : Axis Bank Limited
- C) Key Management Personnel : Mr. Sumit Shukla (MD & CEO)
: Mr. Shail Deshpande (CO & CS)
- D) Directors :Mrs. Usha Sangwan
:Mr. Kedar Desai
:Mr. U.R Bhat
:Mr. Amitabh Chaudhry (till 21st March' 2024)
:Mr. B.GOP Kumar
:Mr. Sumit Shukla
:Mr. Neeraj Gambhir (from 26th March' 2024)

(Rs '000)

| Sr. No. | Name of Related Party | Description of Transactions/Categories | Transaction | Balance | Transaction | Balance |
|------------------------|---------------------------------------|--|---------------------------------|--|---|--|
| | | | For year ended March 31st, 2024 | Outstanding amount carried to Balance Sheet as at March 31st, 24 | For period May 17th, 2022 to March 31st, 2023 | Outstanding amount carried to Balance Sheet as at March 31st, 23 |
| 1 | Axis Bank Limited | Interest income on Fixed Deposits | 5,029 | - | 2,631 | - |
| | | Accrued Interest income on Fixed Deposits | - | - | 2,860 | 2,860 |
| | | Rent charged for any premises or services | 5,385 | - | 5,544 | - |
| | | Reimbursement of Expenses / Fixed Assets | 7,036 | - | 2,296 | - |
| | | Deputation cost of staff | - | - | - | - |
| | | - Deputation cost of staff [KMP] - out of above total Deputation cost (Rs 712) (F.Y. 22-23 Rs 316) | 2,486 | - | 1,396 | - |
| | | Reimbursement of ESOP & Gratuity | 8,890 | - | 503 | - |
| | | Property Tax | 339 | - | 206 | - |
| | | Current account balance with Bank [Net] | 695 | - | 2,006 | - |
| | | Bank Charges | 0.6 | - | 0.5 | - |
| | | Term Life Insurance | 817 | - | 248 | - |
| | | Variable Pay | - | - | - | - |
| | | -(KMP) Variable Pay - (Rs 151) | 485 | 485 | 307 | 307 |
| | | New Fixed deposits | - | - | 7,80,000 | - |
| | | Maturity of Fixed deposits | 1,05,000 | - | 7,80,000 | - |
| New Fixed deposits | - | - | 1,05,000 | 1,05,000 | | |
| Share Capital infusion | - | 72,160 | 72,160 | 72,160 | | |
| 2 | Axis Asset Management Company Limited | Reimbursement of Company formation & setup cost | - | - | 19,932 | - |
| | | Reimbursement of Company formation & setup cost | - | - | 1,433 | - |
| | | Reimbursement of Company Expenses | 585 | - | 4,08,000 | 4,08,000 |
| | | Share Capital infusion | - | 4,08,000 | 4,08,000 | 4,08,000 |
| 3 | Mrs. Usha Sangwan | Sitting Fees | 900 | - | 700 | - |
| 4 | Mr. Kedar Desai | Sitting Fees | 1,400 | - | 1,300 | - |
| 5 | Mr. U.R Bhat | Sitting Fees | 1,400 | - | 1,300 | - |
| 6 | Mr. Sumit Shukla (MD & CEO) | Remuneration to Key Managerial Personnel | 25,715 | - | 22,633 | - |
| 7 | Mr. Shail Deshpande (CO & CS) | Remuneration to Key Managerial Personnel | 2,425 | - | 1,571 | - |



| Expenses recognised in Profit and Loss | | (Rs '000) | |
|--|------------------------------------|---|--|
| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 | |
| Current Service Cost | 1,424 | 624 | |
| Interest Cost on net DBO | 46 | - | |
| Past Service Cost | - | - | |
| Total P&L Expenses | 1,470 | 624 | |

| Expenses to recognised in Other comprehensive Income | | (Rs '000) | |
|--|------------------------------------|---|--|
| Particulars | For year ended March 31st, 2024 | For period May 17th, 2022 to March 31st, 2023 | |
| Actuarial Loss/(Gain) on DBO | (1,168) | - | |
| Actuarial Loss/(Gain) | - | - | |
| Total Re-measurements (OCI) | (1,168) | - | |

| Net defined benefit liability (asset) reconciliation | | | (Rs '000) | |
|--|---------------------------|---------------------------|-----------|--|
| Particulars | As at March 31st, 2024 | As at March 31st, 2023 | | |
| Net defined benefit liability (asset) | 624 | - | | |
| Defined benefit cost included in P&L | 1,470 | 624 | | |
| Total re-measurements included in OCI | (1,168) | - | | |
| Employer contributions | - | - | | |
| Employer direct benefit payments | - | - | | |
| Employer direct settlement payments | - | - | | |
| Net transfer | - | - | | |
| Net defined benefit liability (asset) as of end of period | 926 | 624 | | |

| Actuarial assumptions | | | (Rs '000) | |
|-----------------------------|---------------------------|---------------------------|-----------|--|
| Particulars | As at March 31st, 2024 | As at March 31st, 2023 | | |
| Discount rate Current Year | 7.20% | 7.35% | | |
| Discount rate Previous Year | 7.35% | 0.00% | | |
| Salary increase rate | 8.00% | 11.00% | | |

| Sensitivity of liability | | | | (Rs '000) | |
|---|------------------------|------------------------|----------------|-----------|--|
| Particulars | As at March 31st, 2024 | | | | |
| | Discount Rate | Salary Escalation Rate | Attrition Rate | | |
| Defined benefit obligation on increase in 100 bps | 8,62,259 | 9,94,853 | 8,92,869 | | |
| Impact of increase in 100 bps on DBO | -6.86% | 7.46% | -3.55% | | |
| Defined benefit obligation on decrease in 100 bps | 9,96,074 | 8,62,146 | 9,59,599 | | |
| Impact of decrease in 100 bps on DBO | 7.60% | -6.87% | 3.66% | | |

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

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

Maturity

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

| The defined benefit obligations shall mature after year end as follows: | | | (Rs '000) | |
|---|---------------------------|---------------------------|-----------|--|
| Expected cash flows for following year | As at March 31st, 2024 | As at March 31st, 2023 | | |
| Expected employer contributions / Addl. Provision Next Year | - | - | | |
| Expected total benefit payments- | | | | |
| Year 1 | 5.68 | 2.74 | | |
| Year 2 | 5.78 | 2.83 | | |
| Year 3 | 5.85 | 2.92 | | |
| Year 4 | 169.18 | 3.00 | | |
| Year 5 | 156.71 | 120.43 | | |
| Year 6 to year 10 | 861.89 | 598.56 | | |



AXIS PENSION FUND MANAGEMENT LIMITED

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Notes to financials statements for the year ended March 31st, 2024

40 Disclosure of Ratio's

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

41 Capital Management

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

42 Previous year figures are have been regrouped/reclassified wherever necessary to conform with the current year classification


Signatures to Notes to Accounts "1" to "42" of the Financial statements

As per our report of Even Date

For **GPS & Associates**

Chartered Accountants

ICAI Firm Registration No.: 121344W


H.Y. Gurjar

Partner

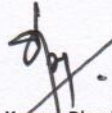
Membership No. 032485

Mumbai - April 15th, 2024



For and on behalf of the Board

For Axis Pension Fund Management Limited

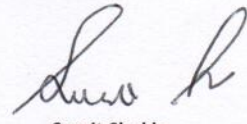

Gop Kumar Bhaskaran
Director

DIN: 07223999



Yogesh Trivedi
Chief Financial Officer

Mumbai - April 15th, 2024



Sumit Shukla
Managing Director &
Chief Executive Officer

DIN: 09664032



Shail Deshpande
Compliance &
Company Secretary

