

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **Twelfth Annual Report** of your Company together with the financial statements, including, Audited Statement of Accounts for the financial year, April 1, 2020 to March 31, 2021. During the year your Company registered a net profit of **Rs. 24,372.47(in Lakhs)**.

### FINANCIAL RESULTS

A summary of the financial performance of the Company for the financial year ended on March 31, 2021 is given below:

Particulars	Amount (Rs. In Lakhs)	
	Financial Year Ended 31.03.2021	Financial Year Ended 31.03.2020
Gross Income	65,528.82	48,144.48
Expenses	33,227.36	31,216.38
<b>Profit/(Loss) before Tax</b>	<b>32,301.46</b>	<b>16,928.09</b>
Provision for Taxation	7,928.97	5,244.61
<b>Profit/(Loss) after Tax</b>	<b>24,372.47</b>	<b>11,683.48</b>
Other comprehensive Income	106.83	(79.53)
<b>Total comprehensive income</b>	<b>24,479.31</b>	<b>11,603.95</b>
<b>Balance Profit /(Loss) Carried Forward</b>	<b>24,479.31</b>	<b>11,603.95</b>

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

As on March 31, 2021, the issued share capital of the Company was Rs. 2,101,111,120 /- divided into 210,111,112, equity shares of Rs. 10/- each.

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

### DIVIDENDS

Your Directors have not recommended payment of any dividend on equity shares, for the year ended March 31, 2021.

### AMOUNT CARRIED TO RESERVES

No amount is proposed to be transferred to reserves.

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

There were no such changes / commitments.

### ISSUANCE OF DEBENTURES

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

## **STATE OF COMPANY'S AFFAIRS**

### **MUTUAL FUND ACTIVITY**

Axis Asset Management Company Limited ("Axis AMC") had another strong financial year managing the assets of Axis Mutual Fund (Axis MF). Since its launch in 2009, Axis MF has gotten firmly established as a leading Mutual Fund brand offering best in class products across all key product categories. Axis AMC has consistently been amongst the fastest growing asset managers in the country over this period.

The last year was a tough one for the Mutual Fund industry. While broadly the industry continued its growth trajectory, within that there was a lot of flux due to heightened market volatility and Covid related disruptions. Equity and hybrid fund saw large net redemptions during the year. Axis AMC however continued to witness good inflows across its product basket including debt and equity funds. Investment performance continues to remain robust across asset classes with all key funds well placed in their respective segments over the long term. The company has also continued growing its investor base as well as its SIP book. The company continued working towards launching new products that help cover product gaps while also looking at product innovations such as investing in global equities.

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

1. Global Allocations – Axis AMC expanded its offerings that provide Indian investors access to global markets. This year saw the launch of 2 unique ideas - Axis Global Equity Alpha Fund of Fund and Axis Special Situations Fund in this regard. Global diversification is a key strategic focus area for the company and there are more funds planned for launch in the coming year.
2. ETFs – Axis AMC expanded its ETF offerings in the current year by launching the Axis Banking ETF and Axis Technology ETF – 2 sectoral ETFs that have been well received by the market. Passives will be an important segment in the market, and Axis AMC is taking steps to improve its share in this space.
3. Overhauling digital experience - Axis AMC has within a short span of time, managed to create customer delight by leveraging technology and related services and provide a differential edge in delivering business and customer experience. This has been made possible by launching new customer and distributor facing mobile apps, websites, leveraging technology as well as digital mediums like Mobile, web interfaces, social media, digital marketing, fintechs relationships to deliver on business and make Axis AMC one of the leading players in digital business.
4. ESG integration in the investment process – Axis AMC completed its journey to embrace and integrate sustainability as a cornerstone of its equity investment process. ESG will be a crucial non-financial metric that will determine sustainable corporate performance going forward. To showcase its commitment to this space, Axis AMC underwent an accreditation exercise with the Schroders sustainability desk on its ESG process.

### **ALTERNATIVES**

In what was a tough environment for alternative products, Axis AMC continued to work on broadening its offerings. While no new AIFs were launched in the year, the AMC has received approval on 2 new ideas and is working on a number of innovative products

that are expected to help it create a broad and unique alternative proposition over the next 3 years.

Details of products/schemes launched and allotted during the year 2020-2021:

Sr. No.	Name of the scheme	Type of the scheme	Allotment date	Amount collected during NFO (In rupees)
1	Axis Global Equity Alpha Fund of Fund	Open Ended Fund of Fund Scheme	24-Sep-20	11,805,381,016.14
2	Axis Banking ETF	Open Ended Exchange Traded Fund	03-Nov-20	679,471,622.74
3	AXIS Special Situations Fund	Open Ended Equity Fund	24-Dec-20	21,248,103,704.69
4	Axis Greater China Equity Fund of Fund	Open Ended Fund of Fund Scheme	10-Feb-21	272,803,631.05
5	Axis Technology ETF	Open Ended Exchange Traded Fund	25-Mar-21	467,550,841.50

Sr. No.	Name of Product/ Scheme	Type of category	Scheme/	Commitments received (In rupees)
<b>Alternative Investment Fund - Category II &amp; III</b>				
1	Axis New Opp Fund AIF-I	Category II		10,343,000,000
2	Axis RERA Opp Fund AIF-I	Category II		3,535,000,000
3	Axis Equity Opp Fund AIF-I	Category III		2,101,500,000
4	Axis Active Equity Growth Fund AIF-I	Category III		2,136,700,000

#### IMPACT OF COVID-19 ON ASSET MANAGEMENT INDUSTRY

Functioning of corporates and business intermediaries was severely impacted during FY21 due to the halt in economic activities brought about by the lockdown due to COVID -19 although economic activity had started normalizing as the year drew to a close.

While the asset management industry was also affected by the unprecedented situation, it was able to withstand the challenges and maintain business continuity. Fund management operations were largely smooth even as employees moved to working remotely. Physical investor transactions were disrupted, although the presence of digital channels helped take up some of the slack.

Both equity and fixed income markets exhibited a high level volatility during the last year. Equity flows for the industry got affected by the sharp sell-off and we saw net flows into industry turn negative for large parts of the year. While flows into debt did not get affected in an overall manner, there were categories such as credit funds that saw redemptions. As the year came to a close, there is also concern on interest rates moving back up that is causing heightened volatility in certain debt fund categories.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

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

## **RELATED PARTY TRANSACTIONS**

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

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, Mr. Lieven Debruyne (DIN: 08089730) retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

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

Mr. Ashok Sinha (DIN:00070477) ceased to be independent director w.e.f. September 17, 2020, as he completed his tenure as per SEBI (Mutual Fund) Regulation, 1996. On October 16, 2020, Mr. Ravindra Babu Garikipati (DIN:00984163) was appointed as an Independent Director on the board of the Company.

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

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

## **KEY MANAGERIAL PERSONNEL AS ON 31<sup>ST</sup> MARCH, 2021**

In terms of Companies Act 2013, during the year there were no changes in Key Managerial personnel of the Company. Key Managerial personnel of the Company, are as follows, as on March 31, 2021:

Mr. Chandresh Kumar Nigam – Managing Director and Chief Executive Officer  
Mr. Gopal Menon– Chief Operating Officer and Chief Financial Officer  
Mr. Lalit Taparia – Assistant Vice President– Legal & Compliance and Company Secretary

## **PUBLIC DEPOSITS**

During the financial year ended March 31, 2021, the company has not accepted any deposit from the members or public under the provisions of sec. 73 to 76 of the Companies Act, 2013. The Company has not accepted any funds from the Directors of the Company during the financial year under review.

## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

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

## FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Income from Foreign Currency – Rs. 17,42,86,104/- (Previous year: Rs. 22,39,33,034/-)
- b) Payments in Foreign Currency (Rs.) 2,17,80,788- (Previous year: Rs. 81,00,457/-)

Particulars	31-Mar-21	31-Mar-20
Travelling, lodging and conveyance	0	96,209
Scheme expenses brokerage	0	0
AIF Operation	4,39,641	4,05,327
Scheme Expenses Operation	1,64,98,619	60,09,933
Scheme expenses Marketing	0	0
Staff Welfare	1,93,103	0
Data online, Computer & Software related cost	12,55,342	2,85,681
IT-Related Cost	0	53,307
Prof Fees Legal	33,94,083	12,50,000
Advisory fee	0	0
<b>Total</b>	<b>2,17,80,788</b>	<b>81,00,457</b>

## BOARD MEETINGS

During the financial year 2020- 2021, five meetings of the Board of Directors were held on April 25, 2020, May 22, 2020, July 16, 2020, October 15, 2020 and January 15, 2021. One meeting of the Independent Directors was conducted on March 25, 2021. The status of attendance of Directors at the Board Meetings is as follows:

Name	Designation/category	Director's Identification Number (DIN)	Meetings Attended
Mr. Amitabh Chaudhry	Associate Director	00531120	5
Mr. Lieven Michael O Debruyne	Associate Director	08089730	3
Mr. Chandresh Kumar Nigam	Managing Director & Chief Executive Officer	00498968	5
Mr. Ashok Sinha <sup>^</sup>	Independent Director	00070477	3
Mr. Ravi Narayanan	Associate Director	08528459	4
Mr. Ravindra Babu Garikipati <sup>^^</sup>	Independent Director	00984163	1
Mr. Shailendra Bhandari	Independent Director	00317334	5
Ms. Sonia Singh	Independent Director	07108778	4
Mr. V. Anantharaman	Independent Director	01223191	5
<b>Total Meetings held during the year</b>			<b>5</b>

<sup>^</sup>Ceased to be director during FY 2020-21

<sup>^^</sup> appointed as Director during FY 2020-21

## COMMITTEES OF THE BOARD OF DIRECTORS AND MANAGEMENT

To enable better and more focused attention on the affairs of the Company, the Board has constituted Committees of the Board, namely, Audit and Risk Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Allotment Committee. The Board has also constituted some committees of the management of the Company including Risk Management Committee, Investment Review Committee,

Valuation Committee etc., to which specific matters have been delegated by the Board of Directors.

### **CONSTITUTION OF AUDIT AND RISK COMMITTEE OF DIRECTORS**

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

As on March 31, 2021, the Audit and Risk Committee consists of the following Directors:

Mr. Ravindra Babu Garikipati  
 Mr. Chandresh Kumar Nigam  
 Mr. Lieven Michael O Debruyne  
 Mr. Shailendra Bhandari  
 Mr. V. Anantharaman

During the Financial Year, 5 Audit and Risk Committee Meetings were held on April 25, 2020, May 22, 2020, July 16, 2020, October 15, 2020 and January 15, 2021. The status of attendance of the committee members at these committee meetings is as follows:

<b>Name of Members</b>	<b>Designation</b>	<b>No. of Audit and Risk Committee Meetings attended</b>
Mr. V. Anantharaman	Independent Director	5
Mr. Shailendra Bhandari	Independent Director	5
Mr. Ashok Sinha <sup>^</sup>	Independent Director	3
Mr. Ravindra Babu Garikipati <sup>^^</sup>	Independent Director	1
Mr. Chandresh Kumar Nigam	Managing Director and Chief Executive Officer	5
Mr. Lieven Michael O Debruyne	Associate Director	3
<b>Total Meetings held during the year</b>		<b>5</b>

<sup>^</sup>Ceased to be director during FY 2020-21

<sup>^^</sup> Appointed as member of the Committee during FY 2020- 21

### **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

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

As on March 31, 2021, the Nomination and Remuneration Committee consisted of the following directors:

Mr. Ravindra Babu Garikipati  
 Mr. Shailendra Bhandari  
 Mr. V. Anantharaman  
 Ms. Sonia Singh  
 Mr. Lieven Michael O Debruyne

During the Financial Year, 3 meetings of Nomination and Remuneration committee were held on April 23, 2020, October 12, 2020 and March 25, 2021. The status of attendance of the Committee Members at these Committee Meetings is as follows:

Name of Members	Designation	No. of Nomination and Remuneration Committee Meetings attended
Mr. Ashok Sinha <sup>^</sup>	Independent Director	1
Mr. Shailendra Bhandari <sup>^^^</sup>	Independent Director	3
Ms. Sonia Singh	Independent Director	3
Ravindra Babu Garikipati <sup>^^</sup>	Independent Director	1
Mr. V. Anantharaman	Independent Director	3
Mr. Chandresh Kumar Nigam <sup>^</sup>	Managing Director & Chief Executive Officer	3
Mr. Lieven Michael O Debruyne	Associate Director	3
<b>Total Meetings held during the year</b>		<b>3</b>

<sup>^</sup>Ceased to be member of the Committee during the FY 2020 - 21,  
<sup>^^</sup>Appointed as a member of the Committee during FY 2020 - 21

#### **CONSTITUTION OF SHARE ALLOTMENT COMMITTEE**

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

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

As on March 31, 2021, the Share Allotment Committee consisted of the following directors:

Mr. Chandresh Kumar Nigam  
 Mr. Ravi Narayanan  
 Mr. Lieven Michael O Debruyne

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

#### **CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

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

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

The CSR Committee meeting was held on August 14, 2020. The status of attendance of the Committee Members at these Committee Meetings is as follows:

Name of Members	Designation	No. of CSR Meeting attended
Mr. Ashok Sinha <sup>^</sup>	Independent Director	1
Ms. Sonia Singh	Independent Director	1
Mr. Chandresh Kumar Nigam	Associate Director	1
Mr. V. Anantharaman <sup>^^</sup>	Independent Director	

<sup>^</sup>Ceased to be member of the Committee during the FY 2020 - 21,

<sup>^^</sup>Appointed as a member of the Committee during FY 2020 - 21

### Independent Directors

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

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

### RISK MANAGEMENT

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

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

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

### BOARD EVALUATION

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



The performance evaluation of the Board was conducted on various aspects of the Board's functioning such as strategic planning, succession planning etc. The performance evaluation of the Committees was based on criteria such as appropriate composition, clarity in terms of reference, regularity of meetings, quality of discussion/deliberation at its meetings, participation of members etc. The performance evaluation of Directors was carried out on various criteria such as participation at the meetings, interpersonal relationship with other Directors, providing guidance, knowledge and understanding of areas relevant to the operations of the AMC etc. Performance evaluation of Directors including the Board Chairman was also undertaken.

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

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

### **Nomination and Remuneration policy**

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

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

### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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

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

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

### **SECRETARIAL AUDIT REPORT**

Secretarial Audit for the year 2020-21 was undertaken by MC & Associates, Company Secretaries. The audit interalia covers review of compliance with the requirements specified

under Companies Act, 2013 and the Rules made under the Act. The Secretarial Audit Report is given as an "Annexure II" to this report.

### **STATUTORY AUDITORS**

The Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Chartered Accountants (firm registration number 301003E/E300005), were appointed for a period of 5 years in the Annual General Meeting held on June 14, 2019 to hold office for a period of 5 years until the conclusion of fifteenth Annual General Meeting.

### **QUALIFICATIONS IN THE AUDITOR'S REPORT(S)**

The report of the Statutory Auditor and the Secretarial Auditor do not have any qualification, reservation, any adverse observations or any disclaimer.

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

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

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

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

## EMPLOYEES

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

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

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

1. Loans and guarantee given - Nil
2. Security provided - Nil
3. Investment Made:

Amount in Rupees (in units)

Details of Investment	Purpose	Opening	Purchase	Redemption	Closing
Axis Liquid Fund - Direct Growth	Parked surplus funds (In units)	3,01,00,42,996 (1411187.41)	4,31,40,00,000 (1915771.83)	-6,72,05,00,000 (2976753.80)	79,75,40,066 (350205.44)
Axis Corporate Debt fund- Direct Growth			80,00,00,000 (59456245.60)		80,00,00,000 (59456245.60)
Axis Money Market Fund-Direct Growth			1,13,65,00,000 (1038990.83)	-1,00,00,000 (9122.14)	1,12,65,27,238 (1029868.69)
Axis Treasury Advantage Fund -Direct Growth			3,00,00,00,000 (1223097.58)		3,00,00,00,000 (1223097.58)
Mf Utilities India Private Limited		5,00,000			5,00,000
Axis Credit Risk Fund - Direct - Growth	Investment made in terms of SEBI Gazette Notification dated May 6, 2014	50,00,000 (500000.00)			50,00,000 (500000.00)
Axis Arbitrage Fund - Direct - Growth		50,00,000 (500000.00)			50,00,000 (500000.00)
Axis Focused 25 Fund - Direct - Growth		50,00,000 (286861.73)			50,00,000 (286861.73)
Axis Banking & PSU Debt Fund - Direct - Growth		50,00,000 (3874.99)			50,00,000 (3874.99)
Axis Liquid Fund - Direct - Growth		50,00,000 (3201.59)			50,00,000 (3201.59)
Axis Gilt Fund - Direct - Growth		35,00,000 (277705.05)			35,00,000 (277705.05)
Axis Dynamic Bond Fund		50,00,000			50,00,000

- Direct - Growth	(340217.06)		(340217.06)
Axis Bluechip Fund - Direct - Growth	50,00,000		50,00,000
	(260145.68)		(260145.68)
Axis Gold Fund - Direct - Growth	50,00,000		50,00,000
	(517512.63)		(517512.63)
Axis Strategic Bond Fund - Direct - Growth	50,00,000		50,00,000
	(367555.17)		(367555.17)
Axis Regular Saver - Direct - Growth	50,00,000		50,00,000
	(321320.24)		(321320.24)
Axis Mid Cap Fund - Direct Growth	50,00,000		50,00,000
	(197083.17)		(197083.17)
Axis Short Term Fund - Direct - Growth	50,00,000		50,00,000
	(323055.85)		(323055.85)
Axis Treasury Advantage Fund - Direct - Growth	50,00,000		50,00,000
	(3170.06)		(3170.06)
Axis Triple Advantage Fund - Direct - Growth	50,00,000		50,00,000
	(323047.50)		(323047.50)
Axis Long Term Equity Fund - Direct - Growth	50,00,000		50,00,000
	(161830.10)		(161830.10)
Gold Exchange Traded Fund	51,56,794		51,56,794
	(200000.00)		(200000.00)
Axis Equity Saver Fund - Direct - Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis Children Gift Fund - Direct - Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis Nifty ETF - Direct - Growth	22,02,047		22,02,047
	(23150.00)		(23150.00)
Axis Corporate Debt Opportunities Fund - Direct - Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis Dynamic Equity Fund - Direct - Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis Flexi Cap Fund - Direct Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis New Opportunities AIF-1	5,10,62,307	5,08,672	5,15,70,979
	(500.00)		(500.00)
Axis Equity Hybrid Fund - Direct - Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis Ultra Short Term Fund - Direct - Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis Growth Opportunities Fund - Direct - Growth	50,00,000		50,00,000
	(500000.00)		(500000.00)
Axis Small Cap Fund -	50,00,000		50,00,000

Open Ended - Direct – Growth	(182949.14)			(182949.14)
Axis Overnight Fund - Direct - Growth	50,00,000 (5000.00)			50,00,000 (5000.00)
Axis RERA Opportunities Fund Series 1	5,22,69,167 (500.00)	17,74,265		5,40,43,432 (500.00)
Axis Equity Opportunities AIF - 1	10,00,00,000 (993.521)			10,00,00,000 (993.521)
Axis Money Market Fund - Direct - Growth	50,00,000 (5000.00)			50,00,000 (5000.00)
Axis Nifty 100 Index Fund - Direct - Growth	50,00,000 (500000.00)			50,00,000 (500000.00)
Axis Retirement Savings Fund - Aggressive Plan - Direct - Growth	50,00,000 (500000.00)			50,00,000 (500000.00)
Axis Retirement Savings Fund - Conservative Plan - Direct - Growth	50,00,000 (500000.00)			50,00,000 (500000.00)
Axis Retirement Savings Fund - Dynamic Plan - Direct - Growth	50,00,000 (500000.00)			50,00,000 (500000.00)
Axis All Seasons Debt Fund of Funds - Direct - Growth	50,00,000 (500000.00)			50,00,000 (500000.00)
Axis ESG Equity Fund - Direct - Growth	50,00,000 (500000.00)			50,00,000 (500000.00)
Axis Active Equity Growth Fund Series I	85,175,000 (851.50)	14,825,000 (148.245)		10,00,00,000 (999.745)
Axis Global Equity Alpha Fund of Fund Direct Growth		50,00,000 (499975.00)		50,00,000 (499975.00)
Axis Special Situations Fund Direct Growth		50,00,000 (499975.00)		50,00,000 (499975.00)
Axis Greater China Equity Fund of Fund Direct Growth		32,00,000 (319984.00)		32,00,000 (319984.00)
Axis Banking ETF		82,57,452 (30001.00)		82,57,452 (30001.00)
Axis Technology ETF		50,00,765 (19419.00)		50,00,765 (19419.00)

## **EXTRACT OF ANNUAL RETURN**

Details forming part of the extract of the Annual Return in form MGT-9 is given in "Annexure III" and forms part of this report.

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

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

Number of complaints pending as on the beginning of the period: Nil

Number complaints filed during the financial period: Nil

Number of complaints pending as on the end of the period: Nil

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

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

### **COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS**

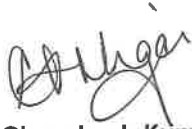
During the year under review, the Company has complied with all the applicable secretarial standards.

### **ACKNOWLEDGEMENT**

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

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

**For and on behalf of the Board of Directors**



**Mr. Chandresh Kumar Nigam**  
Director  
DIN: 00498968



**Mr. V. Anantharaman**  
Director  
DIN: 01223191

Place: Mumbai  
Date: April 15, 2021

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

The Board of Directors (Board) adopted the CSR Policy (Policy) on January 27, 2016. The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The company aims to promote literacy among the disadvantaged and differently-abled people and also financial literacy amongst consumers at large which includes consumer education and awareness as well as capacity building and skill building in various sectors of the economy. The Company promotes initiatives that preserve, restore and enhance environment, ecological balance, and natural resources. It undertakes measures to eradicate hunger, poverty and malnutrition as well as to improve sanitation, health and hygiene. The Company also aims to undertake activities to reduce inequalities faced by socially and economically backward groups. These activities may be carried out by the company on its own or through agencies/NGOs etc.

The CSR amount was paid to Axis Foundation. Contribution from Axis AMC shall be utilised for payment to Seva Mandir, which was established in 1973 in Udaipur, Rajasthan for Community collectives, Natural Resource Management, watershed management, agriculture, livestock, child day care centres, etc.

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

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

### 2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ashok Sinha <sup>^</sup>	Independent Director	1	1
2	Ms. Sonia Singh	Chairman, Independent Director	1	1
3	Mr. Chandresh Kumar Nigam	Managing Director and Chief Executive Officer	1	1
4	Mr. V. Anantharaman	Independent Director	0*	0*

\*Appointed as a member of the Committee during FY 2020 – 21

<sup>^</sup>Ceased to be member of the Committee during the FY 2020 - 21



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

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

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

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

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Not applicable in FY 2020-21

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. - Not Applicable

6. Average net profit of the Company as per section 135(5):

Rs. 1,03,38,72,666

7. (a) Two percent of average net profit of the Company as per section 135(5):

Rs. 2,06,77,453 (rounded off to Rs. 2,07,00,000)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

Nil

(c) Amount required to be set off for the financial year, if any. ---- Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). ----- Rs. 2,07,00,000

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 2,07,00,000	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: No Ongoing projects

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

-1	-2	-3	-4	-5		-6	-7	-8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs. crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR Registration number
1	Axis Foundation for the onward disbursement to Seva Mandir (capacity building for community based on natural resource management, watershed management, agriculture, livestock, child day care centers etc.)	(ii) Sustainable livelihood	No	Rajasthan	Udaipur	2,07,00,000	No	Axis Bank Foundation	Not Applicable
	<b>TOTAL</b>					2,07,00,000			

(d) Amount spent in Administrative Overheads: Not Applicable

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 2,07,00,000

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	Rs. 2,07,00,000
(ii)	Total amount spent for the Financial Year	Rs. 2,07,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. crore)	Amount spent in the reporting Financial Year (in Rs. crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs. crore)
				Name of the Fund	Amount (in Rs. crore)	Date of transfer	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable


(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Not Applicable

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

  
Chandresh Kumar Nigam  
Managing Director & CEO

  
Sonia Singh  
Chairperson - CSR Committee

Place: Mumbai  
Date: April 15, 2021

MC & Associates  
Company Secretaries  
2, Asha House, Dr. Babasaheb Ambedkar Road,  
Near Dadar TT Circle, Dadar East, Mumbai - 400 014  
Tel: 022 24154044

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR 2020-21**

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

To,

The Members,

**AXIS ASSET MANAGEMENT COMPANY LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AXIS ASSET MANAGEMENT COMPANY LIMITED hereinafter called "**The Company**". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the AXIS ASSET MANAGEMENT COMPANY LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined on test check basis the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015/2019;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -Not Applicable
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -Not Applicable
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -Not Applicable
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; -Not Applicable
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and -Not Applicable
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -Not Applicable
- vi. Other laws as may be applicable specifically to the company are annexed as **Annexure I**

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

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

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

**We further report that**

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

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

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



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

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

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

For MC & Associates  
Practicing Company Secretaries



Miten Chawda

FCS No: 6949

C P No: 11625

UDIN: F006949C000140929



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

Place: Mumbai

Date: April 15, 2021

Annexure I

List of other laws applicable to the Company

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





Annexure II

List of Specific Events

Sr. No.	Remarks	Board of Directors Approval/ Noting date	Members Approval date
1.	Approval or re-appointment of Mr. Amitabh Chaudhry as a Director on the Board of Directors.	April 25, 2020	July 10, 2020
2.	Approval of performance linked incentives for the year ended March 31, 2020 & remuneration payable to Mr. Chandresh Nigam, MD & CEO for the Financial Year 2020-21.	15 October, 2020	December 14, 2020
3.	Approval for increase in exposure of G-Sec and T-Bill in Axis Credit Risk Fund, Axis Banking & PSU Debt Fund and Axis Corporate Debt Fund.	May 22, 2020	-
4.	Completion of term of Mr. Ashok Sinha as an Independent Director w.e.f. close of business hours on September 17, 2020	October 15, 2020	-
5.	Approval for submission to SEBI for grant of exemption from compliance of broad based requirements for the schemes launched under Axis Alternative Investment Fund	October 15, 2020	-
6.	Approval of appointment of Mr. Ravi Garikpati as an Independent Director (Additional Director)	October 15, 2020	December 14, 2020
7.	Approval for change in fundamental attributes of Axis Multicap Fund	Circular resolution dated November 12, 2020 noted at board meeting held on January 15, 2021.	-
8.	Approval for change in fundamental attributes of Axis Dynamic Equity Fund	Circular resolution dated November 18, 2020 noted at board meeting held on January 15, 2021.	-

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



**Annexure-III**

Date: April 15, 2021

To,

The Board of Directors,

**AXIS ASSET MANAGEMENT COMPANY LIMITED**

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

Dear Sirs, Madam,

The Secretarial Audit report for the financial year ended March 31, 2021, of even date is to be read along with this letter.

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

Thanking you.

Yours faithfully,

For MC & Associates

Practicing Company Secretaries

  
Miten Chawda

FCS No: 6949

C P No: 11625

UDIN: F006949C000140929



**ANNEXURE- III****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2021  
 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
 Companies (Management and Administration) Rules, 2014]

**I. Registration and other details:**

- i) CIN:U65991MH2009PLC189558
- ii) Registration Date: January 13, 2009
- iii) Name of the Company: Axis Asset Management company Limited
- iv) Category/Sub-Category of the Company: Company Limited by Shares, Indian Non-Government Company
- v) Address of the registered office and contact details: Axis House, 1st Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025
- vi) Whether listed company (Yes/No): No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
 K Fintech Pvt. Ltd.  
 KarvySelenium ,Tower B, Plot number 31 & 32  
 Financial District, Gachibowli  
 Hyderabad 500 032.

**II. Principal business activities of the company**

All the Business activities contributing 10 % or more of the total turnover of the company are:-

SR. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover Of the company
1	Investment Management- The Company manages Investment Portfolios of the scheme(s) launched by Axis Mutual Fund, Axis Alternative Investment Fund- Category II & III and Portfolios under Portfolio Management Services	804.9	94.66%

**III. Particulars of holding, subsidiary and associate companies**

S. No.	Name and Address of The company	CIN/ GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable section
1	Axis Bank Limited	L65110GJ1993PLC020769	Holding	75%*	2(46)

\*Schroder Singapore Holdings Private Limited holds 25% plus one share



e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-									
<b>2. Non - Institutions</b>									
a) Bodies	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-</b>									
Total Public Shareholding (B)=(B)(1)+	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs &	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>210111112</b>	<b>-</b>	<b>210111112</b>	<b>100%</b>	<b>210111112</b>	<b>-</b>	<b>210111112</b>	<b>100%</b>	<b>Nil</b>

@ shares held by nominees of Axis Bank Limited.

ii) **Shareholding of Promoters**

SR No	Shareholder's Name	Shareholding at the Beginning of the year			Shareholding at the end of The year			% change in share holding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered total shares	
1	Axis Bank Limited	157583333 <sup>^</sup>	75%	Nil	157583333 <sup>^</sup>	75%	Nil	No change
2	Schroder Singapore Holdings Private Limited	52527779	25%	Nil	52527779	25%	Nil	No change
	<b>Total</b>	<b>210111112</b>	<b>100%</b>	<b>Nil</b>	<b>210111112</b>	<b>100%</b>	<b>Nil</b>	<b>No change</b>

<sup>^</sup> Out of 15,75,83,333 shares held by Axis Bank Limited, 70 shares are held by nominees of Axis Bank Limited

iii) **Change in Promoters' Shareholding: No change**

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SR. No.	For Each of the Top 10 Share holders	Shareholding at the Beginning of the year		Shareholding at the end of the year	
		No. of shares	%of total Shares of the company	No. of shares	%of total Shares of the company
Nil					

v) **Shareholding of Directors and Key Managerial Personnel: Nil**

**V. Indebtedness**

**Indebtedness of the Company including interest outstanding/ accrued but not due for payments**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at The beginning</b>	-	-	-	-
<b>the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-

ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

#### VI. Remuneration of directors and Key Managerial Personnel

Remuneration to Managing Director: (Amount in Rs.)

Sl. No	Particulars of Remuneration	CHANDRESH KUMAR NIGAM	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	188,090,140	188,090,140
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	419,270	419,270
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	--
4	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	188,509,410	188,509,410
	Ceiling as per the Act	As specified in section 197, 198 and Schedule V of Companies Act 2013 and any other applicable rules, regulation of Companies Act 2013	

**Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Names	Mr. Chandresh Kumar Nigam	Mr. Lalit Taparia	Mr. Gopal Menon	
1	Gross salary	188,090,140	2,616,926	37,992,332	<b>228,699,398</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	419,270			<b>419,270</b>
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
6	<b>Total</b>	<b>188,509,410</b>	<b>2,616,926</b>	<b>37,992,332</b>	<b>229,118,668</b>

# Chief Executive Officer and Chief Financial Officer are granted stock options from Axis Bank Ltd. in line with the Axis Bank Group Policy

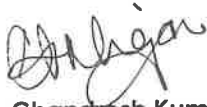
**Remuneration to other directors:**

Particulars of Remuneration	Name of Directors			Total Amount
Independent Directors Fee for attending board/ committee meetings	Ashok Sinha	Ravindra B. Garikipati	V. Anantharaman	
(Director Sitting Fees)	4,00,000	3,00,000	9,00,000	16,00,000
Independent Directors Fee for attending board/ committee meetings	Shailendra Bhandari	Sonia Singh		
(Director Sitting Fees)	7,00,000	4,50,000		11,50,000
<b>Total (1)</b>				<b>27,50,000</b>



**Penalties/Punishment/Compounding of offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding Fees imposed	Authority[R D/NCLT/COURT]	Appeal made, if any (give Details)
Penalty	Nil				
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty	Nil				
Punishment					
Compounding					



**Mr. Chandresh Kumar Nigam**  
Director  
DIN: 00498968



**Mr. V. Anantharaman**  
Director  
DIN: 01223191

Place: Mumbai  
Date: April 15, 2021

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Axis Asset Management Company Limited

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Axis Asset Management Company Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

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

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

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

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

### **Responsibility of Management for the Standalone Ind AS Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2019 dated April 15, 2019 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 standalone Ind AS financial statements – Refer Note 23 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Jayesh Gandhi**

Partner

Membership Number: 037924

UDIN: 21037924AAAABY7423

Place of Signature: Mumbai

Date: April 15, 2021

**Annexure - 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Axis Asset Management Company Limited ("the company")**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the Company and accordingly the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, 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 Act. Accordingly, the provisions of clause 3 (iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, profession tax, income-tax, goods and service tax, labour welfare fund and other statutory dues applicable to it, though there is a slight delay in a few cases of Profession Tax & Labour welfare fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, profession tax, income-tax, goods and service tax, labour welfare fund and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (INR)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	56,079,888	AY 2017-18	Commissioner of Income tax (Appeals)

## **S.R. BATLIBOI & Co. LLP**

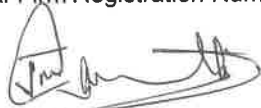
Chartered Accountants

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



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per **Jayesh Gandhi**

Partner

Membership Number: 037924

UDIN: 21037924AAAABY7423

Place of Signature: Mumbai

Date: April 15, 2021

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

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

To the Members of Axis Asset Management Company Limited

We have audited the internal financial controls over financial reporting of Axis Asset Management Company Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.





### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, 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 **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Jayesh Gandhi**

Partner

Membership Number: 037924

UDIN: 21037924AAAABY7423

Place of Signature: Mumbai

Date: April 15, 2021

# AXIS ASSET MANAGEMENT COMPANY LIMITED

Balance Sheet as at March 31, 2021

Rs. In crores

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	0.34	0.88
Receivables			
(i) Trade receivables	4	87.54	61.24
(ii) Other receivables			
Investments	5	644.52	356.77
Other financial assets	6	2.67	2.58
<b>Total financial assets</b>		<b>735.07</b>	<b>421.47</b>
<b>Non financial assets</b>			
Current tax assets (Net)	7	12.06	34.66
Deferred tax assets (Net)	32	10.97	14.13
Property, plant and equipment	8	7.16	7.01
Intangible assets	8	26.61	30.41
Intangible assets under development		0.71	1.94
Other non-financial assets	9	58.72	110.25
<b>Total non financial assets</b>		<b>116.23</b>	<b>198.40</b>
<b>Total assets</b>		<b>851.30</b>	<b>619.87</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10	8.57	22.72
Long term borrowing	11	0.51	0.37
Other financial liabilities	12	21.17	27.48
<b>Total financial liability</b>		<b>30.25</b>	<b>50.57</b>
<b>Non financial liabilities</b>			
Provisions	13	106.11	114.37
Other non-financial liabilities	14	21.63	16.46
<b>Total non financial liability</b>		<b>127.74</b>	<b>130.83</b>
<b>Equity</b>			
Equity share capital	15	210.11	210.11
Other equity	16	483.20	228.36
<b>Total equity</b>		<b>693.31</b>	<b>438.47</b>
<b>Total liabilities and equity</b>		<b>851.30</b>	<b>619.87</b>

The accompanying explanatory notes to the condensed interim special purpose financial statements

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Jayesh Gandhir

Partner

Membership No.037924

Mumbai, April 15, 2021



For and on behalf of the Board

V. Anantharaman

V. Anantharaman

Director

DIN: 01223191

Gopal Menon

COO & CFO

Mumbai, April 15, 2021

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498958

Lalit Taparia

Company Secretary



# AXIS ASSET MANAGEMENT COMPANY LIMITED

## Statement of Profit and Loss for the year ended March 31,2021

Rs. In crores

Particulars	Note No	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Asset management services	17	620.31	469.11
Net gain on fair value changes	18	31.39	9.08
<b>Revenue from operations</b>		<b>651.70</b>	<b>478.19</b>
Other income	19	3.60	3.24
<b>Total Income</b>		<b>655.30</b>	<b>481.43</b>
<b>Expenses</b>			
Finance cost	20	2.45	2.53
Employee benefits expenses	21	158.59	151.68
Depreciation and amortization expense	8	16.82	15.66
Other expenses	22	154.42	142.29
<b>Total expenses</b>		<b>332.28</b>	<b>312.16</b>
<b>Profit before tax</b>		<b>323.02</b>	<b>169.27</b>
<b>Tax expense</b>			
Current tax	32	76.50	38.98
Deferred tax	32	2.79	13.46
<b>Total tax expense</b>		<b>79.29</b>	<b>52.44</b>
<b>Profit after tax</b>		<b>243.73</b>	<b>116.83</b>
<b>Other comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
- Remeasurement gain/ (loss) of the defined benefit plans		1.43	(1.06)
- Income tax relating to these items		(0.36)	0.27
<b>Total other comprehensive Income</b>		<b>1.07</b>	<b>(0.79)</b>
<b>Total comprehensive income</b>		<b>244.80</b>	<b>116.04</b>
<b>Earnings per equity share ( Face value Rs 10/-)</b>			
	31		
- Basic		11.65	5.52
- Diluted		11.65	5.52

The accompanying Explanatory notes to the condensed interim special purpose financial statements

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICA Firm Registration No.: 301003E/E300005



**Jayesh Gandhi**  
Partner  
Membership No.037924  
Mumbai, April 15, 2021



For and on behalf of the Board



**V. Anantharaman**  
Director  
DIN: 01223191

  
**Gopal Menon**  
COO & CFO  
Mumbai, April 15, 2021



**Chandresh Kumar Nigam**  
Managing Director & CEO  
DIN: 00498968

  
**Lalit Taparia**  
Company Secretary



## AXIS ASSET MANAGEMENT COMPANY LIMITED

Cash flow statement for the year ended March 31, 2021

Rs. In crores

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	323.02	169.28
<b>Add / (Less) : Adjustments for</b>		
Depreciation, amortisation and impairment	16.82	15.66
Employee stock option charge	10.04	5.99
(Profit) / Loss on sale of investments (net)	(19.40)	(5.75)
Fair value (Gain) / Loss on investments	(11.99)	(3.33)
(Profit) / Loss on sale of property, plant and equipment and other intangible assets (net)	-	0.05
Other interest income	-	2.27
<b>Operating profit before working capital changes</b>	<b>318.49</b>	<b>184.17</b>
Adjustments for:		
(Increase) / Decrease in trade Receivables	(26.30)	(15.78)
(Increase) / Decrease in other Financial Assets	(0.07)	(0.22)
(Increase) / Decrease in other Non-Financial Assets	51.53	60.45
Increase / (Decrease) in trade Payable	(14.16)	3.90
Increase / (Decrease) in other Financial Liabilities	(6.32)	6.35
Increase / (Decrease) in provisions	(6.84)	(14.50)
Increase / (Decrease) in other Non-Financial Liabilities	5.18	31.16
<b>Cash generated from / (used in) operations</b>	<b>321.51</b>	<b>255.53</b>
Income tax paid	(53.90)	(31.13)
<b>A. Net cash from / (used in) operating activities</b>	<b>267.61</b>	<b>224.40</b>
<b>B. Cash Flow from Investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(12.30)	(42.23)
Proceeds from sale of property, plant and equipment and other intangible assets	0.36	0.02
Purchase of investments	(929.41)	(420.03)
Proceeds from sale of investments	673.05	237.98
<b>B. Net cash from / (used in) investing activities</b>	<b>(268.30)</b>	<b>(224.26)</b>
<b>C. Cash flow from financing activities</b>		
Increase / (Decrease) in Long term borrowing	0.15	0.37
<b>C. Net cash from / (used in) financing activities</b>	<b>0.15</b>	<b>0.37</b>
<b>Net increase / (Decrease) in cash and cash equivalents (A + B + C)</b>	<b>(0.54)</b>	<b>0.51</b>
Cash and cash equivalents at the beginning of the year	0.88	0.37
Cash and cash equivalents at the end of the year	0.34	0.88

The accompanying Explanatory notes to the condensed interim special purpose financial statements

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Jayesh Gandhi

Partner

Membership No.037924

Mumbai, April 15, 2021



For and on behalf of the Board

V. Anantharaman

V. Anantharaman

Director

DIN: 01223191

Gopal Menon

COO & CFO

Mumbai, April 15, 2021

Chandresh Kumar Nigam

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Lalit Taparia

Company Secretary



# AXIS ASSET MANAGEMENT COMPANY LIMITED

## Statement of changes in equity the year ended March 31,2021

Equity share capital			Rs. In crores
Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
<b>Equity shares of Rs 10 each (March 31,2020 Rs. 10 each),fully paid up</b>			
As at 31st March 2020	210.11	-	210.11
As at 31st March 2021	210.11	-	210.11

Other Equity					Rs. In crores
Particulars	Security Premium	Share option Outstanding account	Retain Earning	Total	
<b>Balance as at 1st April 2019</b>	<b>28.89</b>	-	<b>77.21</b>	<b>106.10</b>	
Profit for the period	-	-	116.84	116.84	
Other Comprehensive Income	-	-	(0.80)	(0.80)	
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>116.04</b>	<b>116.04</b>	
Future lease rent liability and deferred tax on the same	-	-	0.24	0.24	
Employee stock options during the period	-	5.98	-	5.98	
<b>Change during the year</b>	<b>-</b>	<b>5.98</b>	<b>116.28</b>	<b>122.26</b>	
<b>Balance as at 31st March 2020</b>	<b>28.89</b>	<b>5.98</b>	<b>193.49</b>	<b>228.36</b>	
<b>Balance as at 1st April 2020</b>	<b>28.89</b>	<b>5.98</b>	<b>193.49</b>	<b>228.36</b>	
Profit for the period	-	-	243.73	243.73	
Other Comprehensive Income	-	-	1.07	1.07	
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>244.80</b>	<b>244.80</b>	
Future lease rent liability and deferred tax on the same	-	-	-	-	
Employee stock options during the period	-	10.04	-	10.04	
<b>Change during the year</b>	<b>-</b>	<b>10.04</b>	<b>244.80</b>	<b>254.84</b>	
<b>Balance as at 31st March 2021</b>	<b>28.89</b>	<b>16.02</b>	<b>438.29</b>	<b>483.20</b>	

The accompanying explanatory notes to the condensed interim special purpose financial statements

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Jayesh Gandhi  
Partner  
Membership No.037924  
Mumbai, April 15, 2021



For and on behalf of the Board

V. Anantharaman  
Director  
DIN: 01223191

Gopal Menon  
COO & CFO  
Mumbai, April 15, 2021

Chandresh Kumar Nigam  
Managing Director & CEO  
DIN: 00498968

Lalit Taparia  
Company Secretary



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

#### Company overview

Axis Asset Management Company Limited ('the Company') was incorporated on January 13, 2009 under The Companies Act, 1956. Axis Bank Limited holds 75% of the total issued and paid up equity share capital, the balance 25% plus one equity share is held by Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings Private Limited (SSHPL), both subsidiaries of Schroders plc.

The Company has been approved by the Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996 to act as an Investment Manager. The Company's principal activity is to act as investment manager to Axis Mutual Fund ('the Fund'). The Company manages Investment Portfolios of the scheme(s) launched by the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated June 27, 2009.

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

#### 1. Basis of preparation

##### a) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time. The Company's financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014, notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable (Previous GAAP).

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

##### b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 34

##### 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.).

##### d) Basis of measurement

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



## AXIS ASSET MANAGEMENT COMPANY LIMITED

Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

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

### 2. Significant accounting policy

#### 2.1. Cash and Cash Equivalents

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

#### 2.2. Financial instruments

##### Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. 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.

##### Classification and subsequent measurement

##### **Financial assets**

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

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

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

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

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

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



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

#### Financial assets: Subsequent measurement and gains and losses

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

#### Impairment of Financial Asset

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

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

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

#### 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





## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

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

#### 2.3. Property, plant and equipment

##### Recognition and measurement

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

##### Subsequent expenditure

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

##### Depreciation

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

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

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

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

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

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



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

#### 2.4. Other intangible assets

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

##### Subsequent expenditure

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

##### Amortisation

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

#### 2.5. Impairment of non-financial assets

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

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

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

#### 2.6. Revenue recognition

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

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

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.



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

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

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

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

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

#### 2.7. Scheme related expenses

##### Mutual fund scheme related expenses

##### a) New fund offer expenses

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

##### b) Brokerage

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

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

##### c) Other direct expenses

Expenses are incurred on behalf of schemes of Axis Mutual fund are recognized in the statement of Profit and loss under Commissions & scheme related expenses, marketing advertisement and publicity unless considered recoverable from schemes in accordance with the provisions of SEBI (Mutual Fund) regulations 1996. Expenses directly incurred for the scheme of Axis Mutual fund are charged to the statement of profit and loss under respective heads.

##### PMS and AIF Brokerage

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

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

#### 2.8. Employee benefits

##### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be



## **AXIS ASSET MANAGEMENT COMPANY LIMITED**

### **Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021**

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.

#### Other Long term Benefit

##### Long Term Incentive plan (LTIP)

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

#### Share based options

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



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

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

#### 2.9. Accounting for Leases as lessee

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

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

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

##### Right of use assets

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

##### Lease Liabilities

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

In calculating the present value of lease payments, the company uses market borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### 2.10. Provisions and Contingencies

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

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

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



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021

possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

#### 2.11. Taxes on income

The tax expense comprises current tax and deferred tax.

Current tax is determined in accordance with Income Tax Act, 1961.

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

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

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

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

#### 2.12. Operating Segment

The Company is in the business of providing asset management services to the schemes of Axis Mutual Fund portfolio management service to clients Investment management services to AIF and



**AXIS ASSET MANAGEMENT COMPANY LIMITED**

**Summary of significant accounting policies and other explanatory information (Notes) forming part of the financial statements for the year ended March 31, 2021**

offshore funds. The primary segment is identified as asset management services as all services are in relation to asset management, there is no separate segment identified.

**2.13. Earning per share (EPS)**

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

**2.14. Foreign currency translation**

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

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



## AXIS ASSET MANAGEMENT COMPANY LIMITED

3. Cash and cash equivalents		Rs. In crores	
Particulars	As at	As at	
	March 31, 2021	March 31, 2020	
Cash on hand	0.00	0.02	
Balances with bank in - current account	0.34	0.86	
	<u>0.34</u>	<u>0.88</u>	

4. Trade receivables		Rs. In crores	
Particulars	As at	As at	
	March 31, 2021	March 31, 2020	
Recoverables considered good - secured	-	-	
Recoverables considered good - unsecured	87.54	61.24	
Less: Allowance for impairment loss	-	-	
	<u>87.54</u>	<u>61.24</u>	

5. Investments		Rs. In crores	
Particulars	As at	As at	
	March 31, 2021	March 31, 2020	
<b>At fair value through profit &amp; loss</b>			
Mutual fund	608.14	332.17	
Alternate Investment Fund	36.16	24.41	
Equity share capital	0.22	0.19	
Total gross investments	<u>644.52</u>	<u>356.77</u>	
Investments outside India			
Investments in India	644.52	356.77	
Total gross investments	<u>644.52</u>	<u>356.77</u>	

6. Other financial assets		Rs. In crores	
Particulars	As at	As at	
	March 31, 2021	March 31, 2020	
Security deposits	2.67	2.58	
	<u>2.67</u>	<u>2.58</u>	

7. Current tax assets		Rs. In crores	
Particulars	As at	As at	
	March 31, 2021	March 31, 2020	
Income tax paid in advance (Net of provisions)	12.06	34.66	
	<u>12.06</u>	<u>34.66</u>	





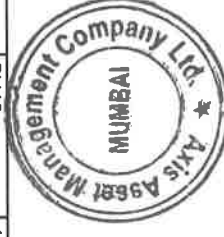
## AXIS ASSET MANAGEMENT COMPANY LIMITED

### 8. Property, plant and equipment and intangible assets

Particulars	Gross Block						Accumulated Depreciation			Net Block	
	April 1, 2020	Additions	Deductions	As at March 31, 2021	April 1, 2020	For the period	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
<b>Property plant &amp; equipment</b>											
Computers	12.11	3.93	0.09	15.95	8.95	2.35	0.09	11.21	4.74	3.17	
Furniture & fixtures	1.36	0.01	0.00	1.37	0.65	0.11	0.00	0.76	0.61	0.71	
Office equipments	2.43	0.28	0.01	2.70	1.55	0.31	0.01	1.85	0.85	0.88	
Leasehold improvements	10.19	-	-	10.19	7.94	1.79	-	9.73	0.46	2.25	
Vehicle(Car) *	-	0.58	-	0.58	-	0.09	-	0.09	0.49	-	
<b>a</b>	<b>26.09</b>	<b>4.80</b>	<b>0.10</b>	<b>30.79</b>	<b>19.09</b>	<b>4.65</b>	<b>0.10</b>	<b>23.64</b>	<b>7.15</b>	<b>7.01</b>	
<b>Intangible assets</b>											
Software	14.09	6.65	-	20.74	10.37	3.11	-	13.48	7.26	3.71	
Right to use asset	36.00	2.08	1.56	36.52	9.30	9.06	1.20	17.16	19.36	26.70	
<b>b</b>	<b>50.09</b>	<b>8.73</b>	<b>1.56</b>	<b>57.26</b>	<b>19.67</b>	<b>12.17</b>	<b>1.20</b>	<b>30.64</b>	<b>26.62</b>	<b>30.41</b>	
<b>Total</b>	<b>76.18</b>	<b>13.53</b>	<b>1.66</b>	<b>88.05</b>	<b>38.76</b>	<b>16.82</b>	<b>1.30</b>	<b>54.28</b>	<b>33.77</b>	<b>37.42</b>	

\* Hypothecated with Axis bank

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	April 1, 2019	Additions	Deductions	As at March 31, 2020	April 1, 2019	For the year	Deductions	As at March 31, 2020	As at March 31, 2019
<b>Property plant &amp; equipment</b>									
Computers	10.35	2.06	0.30	12.11	7.45	1.79	0.30	8.94	3.17
Furniture & fixtures	1.45	0.10	0.18	1.37	0.72	0.11	0.17	0.66	0.71
Office equipments	2.33	0.25	0.15	2.43	1.38	0.32	0.15	1.55	0.88
Leasehold improvements	10.02	0.17	-	10.19	5.83	2.11	-	7.94	2.25
<b>a</b>	<b>24.15</b>	<b>2.58</b>	<b>0.63</b>	<b>26.10</b>	<b>15.38</b>	<b>4.33</b>	<b>0.62</b>	<b>19.09</b>	<b>7.01</b>
<b>Intangible assets</b>									
Software	11.76	2.41	-	14.09	8.37	2.03	0.02	10.38	3.71
Right to use asset (refer Note 35)	-	36.00	0.08	36.00	-	9.30	-	9.30	26.70
<b>b</b>	<b>11.76</b>	<b>38.41</b>	<b>0.08</b>	<b>50.09</b>	<b>8.37</b>	<b>11.33</b>	<b>0.02</b>	<b>19.68</b>	<b>30.41</b>
<b>Total</b>	<b>35.91</b>	<b>40.99</b>	<b>0.71</b>	<b>76.19</b>	<b>23.75</b>	<b>15.66</b>	<b>0.64</b>	<b>38.77</b>	<b>37.42</b>



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### 9. Other non-financial assets

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Capital advance	0.08	0.50
Prepaid expenses (Other)	1.72	1.27
Unamortized brokerage	47.72	98.33
Other Non-financial assets	0.35	0.42
Balances with statutory/ Government tax authorities	8.85	9.73
	<b>58.72</b>	<b>110.25</b>

### 10. Trade payable

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	8.57	22.72
- Related party	2.22	2.62
- Others	6.35	20.10
	<b>8.57</b>	<b>22.72</b>

### 11. Long term borrowing

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Vehicle loan		
- Related party	0.51	0.37
- Others	-	-
	<b>0.51</b>	<b>0.37</b>

### 12. Other financial liabilities

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Lease liability	21.17	27.48
	<b>21.17</b>	<b>27.48</b>

### 13. Provision

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Provision for gratuity	0.70	0.60
- Provision for leave encashment	-	1.50
- Provision for salaries and allowances	94.54	109.28
Other dues	10.87	2.99
	<b>106.11</b>	<b>114.37</b>



## AXIS ASSET MANAGEMENT COMPANY LIMITED

### 14. Other non-financial liabilities

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Statutory dues	20.91	15.85
Employee benefit dues	0.72	0.61
	<u>21.63</u>	<u>16.46</u>

### 15. Share capital

Particulars	No. of Shares	Rs. In crores
<b>Authorized</b>		
Equity Shares, Rs 10/- each		
As at March 31, 2020	215,000,000	215.00
As at March 31, 2021	215,000,000	215.00
<b>7.28% Redeemable non convertible Preference Shares, Rs 10/- each</b>		
As at March 31, 2020	30,000,000	30.00
As at March 31, 2021	30,000,000	30.00
<b>Issued, subscribed and paid-up</b>		
Equity Shares, ₹10/- each		
As at March 31, 2020	210,111,112	210.11
As at March 31, 2021	<u>210,111,112</u>	<u>210.11</u>

#### a. Terms/ rights attached to equity shares

The company has two class of shares referred to as equity shares and preference shares having par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

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

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

##### Equity Shares

Particulars	Outstanding at the beginning of the year	Add: Shares issued during the year	Add: Bonus shares issued during the year	Outstanding at the end of the year
No of Shares				
Equity Shares, ₹10/- each				
As at March 31, 2020	210,111,112	-	-	210,111,112
As at March 31, 2021	210,111,112	-	-	210,111,112
Rs. In crores				
Equity Shares, ₹10/- each				
As at March 31, 2020	210.11	-	-	210.11
As at March 31, 2021	210.11	-	-	210.11



## AXIS ASSET MANAGEMENT COMPANY LIMITED

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

	Axis Bank limited (holding company) and its nominees		Schroder Singapore Holdings Private Limited		Total	
	No of Shares	% Held	No of Shares	% Held	No of Shares	% Held
Equity Shares, ₹10/- each						
As at March 31, 2020	157,583,333	75%	52,527,779	25%	210,111,112	100%
As at March 31, 2021	157,583,333	75%	52,527,779	25%	210,111,112	100%

Particulars	Amount in Rs	
	As at March 31, 2021	As at March 31, 2020
<b>Securities premium reserve</b>		
Opening balance	28.89	28.89
Add/(less): Changes during the year	-	-
Fresh Issue of equity shares	-	-
Amount utilised for issue of bonus shares	-	-
<b>Closing balance</b>	<b>28.89</b>	<b>28.89</b>
<b>Share based option outstanding account</b>		
Opening balance	5.98	-
Stock option expenses for the year	10.04	5.98
Less: Transferred to General Reserve	-	-
<b>Closing balance</b>	<b>16.02</b>	<b>5.98</b>
<b>Surplus/(deficit) in statement of profit &amp; loss</b>		
Opening balance	193.49	77.21
Add: Profit for the year	243.73	116.84
Add : Future lease rent liability and deferred tax on the same	-	0.24
Less : Appropriations	-	-
Dividend on equity shares	-	-
Tax on equity dividend	-	-
Add: Other comprehensive income	1.07	(0.80)
<b>Closing balance</b>	<b>438.29</b>	<b>193.49</b>
<b>Total</b>	<b>483.20</b>	<b>228.36</b>

#### a) Securities premium:

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

#### b) Share based option outstanding account

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



## AXIS ASSET MANAGEMENT COMPANY LIMITED

Particulars	Rs. In crores	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Investment management fees (net of GST)	532.02	393.86
Investment advisory fees - offshore	17.43	22.39
Portfolio management fees & AIF fees (net of GST)	70.86	52.86
	<b>620.31</b>	<b>469.11</b>

Particulars	Rs. In crores	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Net gain/(loss) on financial instruments at FVTPL - On Investment	31.39	9.08
<b>Total</b>	<b>31.39</b>	<b>9.08</b>
Fair value changes		
Realised	19.40	5.75
Unrealised	11.99	3.33
<b>Total</b>	<b>31.39</b>	<b>9.08</b>
<b>Total</b>	<b>31.39</b>	<b>9.08</b>

Particulars	Rs. In crores	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Profit on sale of fixed assets (net)	0.00	-
Interest on rental deposit	0.20	0.22
Interest on refund from tax authority	3.05	2.27
Miscellaneous income	0.35	0.75
	<b>3.60</b>	<b>3.24</b>

Particulars	Rs. In crores	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Interest on lease liability	2.17	2.53
Interest on vehical loan	0.03	0.00
Interest On Income tax payment	0.25	-
	<b>2.45</b>	<b>2.53</b>



Particulars	Rs. In crores	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Salaries, wages & allowances	139.99	134.14
Contribution to provident funds & other funds	5.46	6.25
Staff welfare expenses	3.10	5.31
Employee stock option charge (Refer note 27)	10.04	5.98
	<b>158.59</b>	<b>151.68</b>

Particulars	Rs. In crores	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Commissions & scheme related expenses ( net of reversal provision)	81.44	80.16
Sales, marketing advertisement and publicity expenses	23.88	18.84
Rent (Refer note 35)	0.45	0.35
Rates and taxes	0.22	0.28
Establishment expenses	5.77	6.06
Communication expenses	4.19	4.54
Outsourced services cost	10.84	6.91
Legal expenses and professional fees	3.89	4.99
Travelling, lodging and conveyance	0.93	3.22
Computer and software related cost	16.58	11.28
Printing and stationery	0.12	0.33
Membership and subscriptions	1.12	1.02
Entertainment and business promotion	0.63	1.27
Auditors fees and expenses	0.19	0.13
Repairs and Maintenance	1.52	0.78
Directors sitting fees	0.28	0.31
Foreign exchange loss (net)	0.18	0.06
GST tax expenses	0.06	0.31
Loss on sale of assets	-	0.05
CSR Contribution as per section 135 of Companies Act, 2013 (Refer note 28)	2.07	1.33
Miscellaneous expenses	0.06	0.07
	<b>154.42</b>	<b>142.29</b>



**AXIS ASSET MANAGEMENT COMPANY LIMITED**  
**Notes to financial statements for the year ended March 31,2021**

**23 Contingent liabilities**

Direct tax related matters Rs 5.61 crores (Previous year 5.61 crores)  
The company has carried out assesment of outstanding tax litigations as per the requirements of Ind AS 12 and considered the impact as remote, hence no provision and disclosure is considered necessary

**24 Capital commitments**

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided is Rs 3.27 crores (Previous year Rs 3.57 crores)

**25 Trade payable**

Sundry creditors do not include any amount payable to Small Scale Industrial Undertakings and Micro and Small Enterprises. Under the Micro Small and Medium Enterprises Development Act 2006 (MSMEDA) which came into force from October 02 2006 certain disclosures are required to be made relating to Micro and Small enterprises. Based on the information and records available with the management the following disclosures are made for the amounts due to the Micro and Small enterprises who have registered with the competent authorities.

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil

**26 Employee benefits**

**Defined contribution plan**

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

Particulars	Rs. In crores	
	Year ended March 31, 2021	Year ended March 31, 2020
Employer's contribution to provident fund	3.73	3.49

**Defined benefit plans**

The Company has a defined benefit gratuity plan (funded). The company 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 depended on the member's length of service and salary at retirement age.

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

Particulars	Rs. In crores		
	As at March 31,2021		
	Present value of obligation	Fair value of Plan Asset	Net Amount (asset)/liability
Opening Balance	5.60	5.00	0.60
Current Service cost	1.58	-	1.58
Interest on defined benefit obligation / Asset	0.32	0.33	(0.01)
Gain/(Loss) from change in Financial assumption	(0.14)	-	(0.14)
Gain/(Loss) from change in experience assumption	0.05	-	0.05
Transfer out	-	-	-
Employer contribution	-	-	-
Benefit payments	(0.08)	(0.04)	(0.04)
Return on Plan assets	-	1.34	(1.34)
<b>Closing balance</b>	<b>7.33</b>	<b>6.63</b>	<b>0.70</b>



AXIS ASSET MANAGEMENT COMPANY LIMITED  
Notes to financial statements for the year ended March 31,2021

Particulars	As at March 31,2020		
	Present value of obligation	Fair value of Plan Asset	Net Amount (asset)/liability
Opening Balance	4.40	-	4.40
Current Service cost	1.49	-	1.49
Interest on defined benefit obligation / Asset	0.30	0.18	0.12
Gain/(Loss) from change in Financial assumption	0.43	-	0.43
Gain/(Loss) from change in experience assumption	(0.28)	-	(0.28)
Transfer out	(0.27)	-	(0.27)
Employer contribution	-	5.73	(5.73)
Benefit payments	(0.47)	-	(0.47)
Return on Plan assets	-	(0.92)	0.92
Closing balance	5.60	5.00	0.60

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

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Present value of plan liability	7.33	5.60
Fair Value of plan assets	(6.63)	(5.00)
Net	0.70	0.60

Expenses recognised in Profit and Loss

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Current Service Cost	1.58	1.49
Interest Cost on net DBO	(0.01)	0.12
Past Service Cost	-	-
Total P&L Expenses	1.57	1.61

Expenses to recognised in Other comprehensive Income

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Actuarial Loss/(Gain) on DBO	(0.09)	0.15
Actuarial Loss/(Gain)	(1.34)	0.91
Total Re-measurements (OCI)	(1.43)	1.06

Net defined benefit liability (asset) reconciliation

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Net defined benefit liability (asset)	0.60	4.40
Defined benefit cost included in P&L	1.56	1.61
Total re-measurements included in OCI	(1.43)	1.06
Employer contributions	-	(5.73)
Employer direct benefit payments	(0.04)	(0.47)
Employer direct settlement payments	-	-
Net transfer	-	(0.27)
Net defined benefit liability (asset) as of end of period	0.69	0.60

Actuarial assumptions:

Particulars	Rs. In crores	
	As at March 31, 2021	As at March 31, 2020
Discount rate Current Year	5.58%	5.76%
Discount rate Previous Year	5.76%	7.23%
Salary increase rate	11.0%	12.00%
Attrition Rate	15% (Manager & above); 20% (All Others)	15% (Manager & above); 20% (All Others)
Retirement Age	60	60
Pre-retirement mortality	IALM (2012-14) Ultimate	
Disability	Nil	Nil





**AXIS ASSET MANAGEMENT COMPANY LIMITED**  
**Notes to financial statements for the year ended March 31,2021**

Sensitivity of liability		Rs. In crores	
Particulars	Change in assumption	As at March 31, 2021	As at March 31, 2020
Discount rate	+100 basis points	6.99	5.33
Discount rate	-100 basis points	7.70	5.90
Salary Increase Rate	+1%	7.57	5.80
Salary Increase Rate	-1%	7.09	5.41
Attrition Rate	+1%	7.25	5.52
Attrition Rate	-1%	7.41	5.68

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

**Maturity**

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

		Rs. In crores	
		As at March 31, 2021	As at March 31, 2020
<b>Expected cash flows for following year</b>			
Expected employer contributions / Addl. Provision Next Year		2.17	1.90
Expected total benefit payments-			
Year 1		0.98	0.84
Year 2		0.98	0.72
Year 3		0.90	0.70
Year 4		0.81	0.64
Year 5		0.70	0.56
Next 5 years		2.24	1.86

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 Employee stock option scheme (Equity settled)**

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



**AXIS ASSET MANAGEMENT COMPANY LIMITED**  
**Notes to financial statements for the year ended March 31,2021**

**Details of ESOS:**

Particulars	ESOS XXV	ESOS XXI
Date of Grant/intimation to employee	01st September 2020	30th April 2019
Price of Underlying Stock on the date of grant Rs	488.35	757.1
Exercise / Strike Price Rs	488.35	757.1
The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions:		
Risk Free Interest Rate	5.79% to 6.20%	6.64% to 6.86%
Expected Dividend Yield	0.29%	0.54%
Expected Life (years)	2.28 to 4.28	1.71 to 3.63
Expected Volatility	29.72% to 30.19%	27.76% - 29.38%
Weighted Average Fair Value Rs	143.58	197.5
Expected - Weighted average volatility	29.72% to 30.19%	27.76% to 29.38%

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:  
(As certified by the management)

Particulars	No of Stock options as at March 31,2021	No of Stock options as at March 31,2020
Date of Grant/intimation to employee	30th April 2019/01st September 2020	30th April 2019
Outstanding at the beginning of the year	571,200	-
Granted during the year	865,003	582,800
Exercised during the year	-	-
Forfeited during the year	(43,250)	-
Lapsed/expired during the year	-	(11,600)
Outstanding at the end of the year	1,392,953	571,200
Vested and exercisable	-	-

**Fair value of options granted**

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

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

Assumptions	Rs. In crores	
	Year ended March 31, 2021	Year ended March 31, 2020
Employee stock option scheme (equity settled)	10.04	5.98

**28 Corporate Social Responsibility**

Full amount of Rs 2.07 Crs was spent during the year (Previous year Rs 1.33 Crs) for the purpose other than construction/acquisition of any assets.

**29 Breakup of Auditors' remuneration**

Particulars	Rs. In crores	
	Year ended March 31 2021	Year ended March 31 2020
Audit fees	0.13	0.11
Limited review	0.06	-
Other matters	-	0.02
Total	0.19	0.13

**30 Segment information**

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

**31 Earnings Per Share**

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

Particulars	Rs. In crores	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) Nominal value of an Equity share (Rs)	10	10
(b) Net profit available to Equity shareholders (Rs)	244.80	116.04
(c) Weighted average number of shares outstanding	210,111,112	210,111,112
(d) Basic and Diluted EPS (Rs) = (b)/ (c)	11.65	5.52



**AXIS ASSET MANAGEMENT COMPANY LIMITED**

**Notes to financial statements for the year ended March 31,2021**

**32 Income tax expenses**

The components of income tax expense for the years ended March 31 2021 and March 31 2020 are:

Particulars	Rs. In crores	
	As at March 31 2021	As at March 31 2020
<b>Income tax expenses</b>		
Current tax on profit for the year	76.15	42.37
Adjustment in respect of current income tax of prior years	0.35	(3.39)
<b>Total Current tax expenses</b>	<b>76.50</b>	<b>38.98</b>
Deferred tax	3.15	13.20

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

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31 2021 and March 31 2020 is as follows:

Particulars	Rs. In crores	
	As at March 31 2021	As at March 31 2020
Profit before tax	323.02	169.27
Other comprehensive Income	1.43	(1.06)
Tax at statutory income tax	81.66	42.33
<b>Non -deductible expenses</b>		
ESOP of parent company	2.53	1.50
Corporate social responsibility expenses	0.52	0.17
One time rate change impact	-	6.85
Capital gain tax rate difference	(5.17)	1.20
Interest payable under income tax	0.06	-
Income not subject to tax	-	(0.02)
Others	0.05	0.14
<b>Total Net Non -deductible expenses</b>	<b>(2.01)</b>	<b>9.84</b>
<b>Income tax expenses</b>	<b>79.65</b>	<b>52.17</b>

**Deferred tax assets/liabilities**

The components of Deferred tax expense are as under:

Particulars	Rs. In crores	
	As at March 31 2021	As at March 31 2020
<b>Deferred tax asset:</b>		
Provision for employee benefits	9.41	14.85
ROU asset adjustment	0.59	0.38
Depreciation on fixed assets	1.88	1.72
<b>Total (a)</b>	<b>11.88</b>	<b>16.95</b>
<b>Deferred tax liability:</b>		
Prepaid brokerage	-	0.51
FVPTL on financial instrument	0.89	2.29
Other temporary difference	0.02	0.02
<b>Total (b)</b>	<b>0.91</b>	<b>2.82</b>
<b>Net deferred tax asset/(liability) (a -b)</b>	<b>10.97</b>	<b>14.13</b>



**AXIS ASSET MANAGEMENT COMPANY LIMITED**  
**Notes to financial statements for the year ended March 31,2021**

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

Rs. In crores			
Particulars	As at March 31 2021	Movement to Profit and loss and OCI	As at March 31 2020
<b>Deferred tax asset:</b>			
Provision for employee benefits	9.41	5.44	14.85
ROU asset adjustment	0.59	(0.21)	0.38
Depreciation on fixed assets	1.88	(0.16)	1.72
<b>Total (a)</b>	<b>11.88</b>	<b>5.06</b>	<b>16.95</b>
<b>Deferred tax liability:</b>			
Prepaid brokerage	-	0.52	0.52
FVPTL on financial instrument	0.89	1.39	2.28
Other temporary difference	0.02	(0.00)	0.02
<b>Total (b)</b>	<b>0.91</b>	<b>1.91</b>	<b>2.82</b>
<b>Net deferred tax asset/(liability) (a - b)</b>	<b>10.97</b>	<b>3.15</b>	<b>14.13</b>

**33 Fair Value Measurement**  
**Financial Instruments by category**

Rs. In crores			
Particulars	As at March 31 2021		
	Fair Value Through P&L	Fair Value Through OCI	Amortized cost
<b>Financial Assets:</b>			
Cash and Cash equivalent	-	-	0.34
Receivables	-	-	87.54
<b>Investments</b>			
Mutual fund	608.14	-	-
Alternate Investment Fund	36.16	-	-
Equity Instrument	0.22	-	-
Other Financial Assets	-	-	2.67
<b>Total Financial Assets</b>	<b>644.52</b>	<b>-</b>	<b>90.55</b>
<b>Financial Liability:</b>			
Trade and other payable	-	-	8.57
Long term borrowings	-	-	0.51
Other financial Liabilities	-	-	21.17
<b>Total Financial Liability</b>	<b>-</b>	<b>-</b>	<b>30.25</b>

Rs. In crores			
Particulars	As at March 31 2020		
	Fair Value Through P&L	Fair Value Through OCI	Amortized cost
<b>Financial Assets:</b>			
Cash and Cash equivalent	-	-	0.88
Receivables	-	-	61.24
<b>Investments</b>			
Mutual fund	332.17	-	-
Alternate Investment Fund	24.41	-	-
Equity Instrument	0.19	-	-
Other Financial Assets	-	-	2.58
<b>Total Financial Assets</b>	<b>356.77</b>	<b>-</b>	<b>64.70</b>
<b>Financial Liability:</b>			
Trade and other payable	-	-	22.72
Long term borrowings	-	-	0.37
Other financial Liabilities	-	-	27.48
<b>Total Financial Liability</b>	<b>-</b>	<b>-</b>	<b>50.57</b>



**AXIS ASSET MANAGEMENT COMPANY LIMITED**  
**Notes to financial statements for the year ended March 31, 2021**

**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:

Particulars	As at March 31 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>				
Investments at FVPTL				
Mutual fund	608.14	-	-	608.14
Alternative Investment Fund	-	23.84	12.32	36.16
Equity Instrument	-	-	0.22	0.22
<b>Total Financial Assets</b>	<b>608.14</b>	<b>23.84</b>	<b>12.54</b>	<b>644.52</b>

Rs. In crores

Particulars	As at March 31 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>				
Investments at FVPTL				
Mutual fund	332.17	-	-	332.17
Alternative Investment Fund	-	14.43	9.98	24.41
Equity Instrument	-	-	0.19	0.19
<b>Total Financial Assets</b>	<b>332.17</b>	<b>14.43</b>	<b>10.17</b>	<b>356.77</b>

Rs. In crores

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

The hierarchy used is as follows :

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

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

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

**Valuation techniques used to determine fair value**

Financial Instrument	Valuation technique
Mutual Fund	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed
Equity Instrument	Discounted cash flow based on present value of the expected future economic benefit
Alternative Investment Funds	Net Asset Value (NAV) provided by issuer fund which are arrived at based on valuation from independent valuer for unlisted portfolio companies and price of recent investments

**Fair value measurement using significant unobservable Inputs (level 3)**

The following table presents the changes in level 3 Items for the periods ended March 31, 2021 and March 31, 2020

Rs. In crores

Particulars	Alternative Investment Fund	Equity Instrument
	<b>As at April 1, 2019</b>	<b>10.11</b>
Acquisitions	0.33	-
Disposals	-	-
Gain/(losses) recognised profit and loss	(0.46)	0.05
<b>As at March 31, 2020</b>	<b>9.98</b>	<b>0.19</b>
Acquisitions	0.23	-
Disposals	-	-
Gain/(losses) recognised profit and loss	2.11	0.03
<b>As at March 31, 2021</b>	<b>12.32</b>	<b>0.22</b>

**Valuation Inputs and relationships to fair value**

Rs. In crores

Particulars	Fair value	
	As at March 31 2021	As at March 31 2020
Alternative Investment Fund	12.54	9.98

Rs. In crores

Particulars	Sensitivity	
	As at March 31 2021	As at March 31 2020
Alternative Investment Fund		
- NAV - Increased by 5%	0.63	0.50
- NAV - decreased by 5%	(0.63)	(0.50)



**AXIS ASSET MANAGEMENT COMPANY LIMITED**  
**Notes to financial statements for the year ended March 31,2021**

**Valuation Process**

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

**34 Financial Risk Management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Risk management committee.

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

Risk	Exposure arising from
Credit risk	Cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost
Market Risk- Foreign Exchange	Recognised financial assets not denominated in Rs.
Market Risk- Price	Investments in equity securities, units of mutual funds, debt securities and alternative investment funds
Liquidity risk	Financial liabilities

**Credit Risk**

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company has well defined investment policy restricting investments in various risk categories such high/moderate etc.

**Market Risk- Foreign exchange**

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

Particulars	Rs. In crores	
	As at March 31 2021	As at March 31 2020
USD Rate - Increased by 5%	(0.02)	0.04
USD Rate - decreased by 5%	0.02	(0.04)
AUD Rate - Increased by 5%	0.03	0.02
AUD Rate - decreased by 5%	(0.03)	(0.02)
GBP Rate - Increased by 5%	0.003	0.002
GBP Rate - decreased by 5%	(0.003)	(0.002)

**Market Risk- Price**

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

Particulars	Rs. In crores	
	As at March 31 2021	As at March 31 2020
NAV - Increased by 5%	32.22	17.83
NAV - decreased by 5%	(32.22)	(17.83)

**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 :



AXIS ASSET MANAGEMENT COMPANY LIMITED  
Notes to financials statements for the year ended March 31, 2021

Rs. in crores

Particulars	As on 31st March 2021			As on 31st March 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>Assets</b>						
<b>Financial Asset</b>						
Cash and cash equivalents	0.34	-	0.34	0.88	-	0.88
Receivables						
(i) Trade Receivables	87.54	-	87.54	61.24	-	61.24
(ii) Other Receivables	-	-	-	-	-	-
Investments	194.01	450.51	644.52	311.07	45.70	356.77
Other Financial Asset	0.24	2.43	2.67	0.21	2.37	2.58
<b>Total Financial Asset</b>	<b>282.13</b>	<b>452.94</b>	<b>735.07</b>	<b>373.40</b>	<b>48.57</b>	<b>421.47</b>
<b>Non Financial Asset</b>						
Current tax Assets (Net)	12.06	-	12.06	34.66	-	34.66
Deferred tax Assets (Net)	10.97	-	10.97	-	14.13	14.13
Property, Plant and Equipment	-	7.17	7.17	-	7.01	7.01
Intangible assets	-	26.61	26.61	-	30.41	30.41
Intangible assets under development	-	0.71	0.71	-	1.94	1.94
Other non-financial assets	45.19	13.53	58.72	64.16	46.09	110.25
<b>Total Non Financial Asset</b>	<b>68.22</b>	<b>48.02</b>	<b>116.24</b>	<b>98.82</b>	<b>99.58</b>	<b>198.40</b>
<b>Total Assets</b>	<b>350.35</b>	<b>500.95</b>	<b>851.30</b>	<b>472.22</b>	<b>148.15</b>	<b>619.87</b>
<b>Liabilities</b>						
Trade Payables	8.57	-	8.57	22.72	-	22.72
Long term borrowing	0.14	0.37	0.51	0.08	0.29	0.37
Other financial liabilities	8.73	12.44	21.17	7.87	19.61	27.48
<b>Total Financial Liability</b>	<b>17.44</b>	<b>12.81</b>	<b>30.25</b>	<b>30.67</b>	<b>19.90</b>	<b>50.57</b>
<b>Non Financial Liabilities</b>						
Provision	106.11	-	106.11	82.42	31.95	114.37
Other non-financial liabilities	21.63	-	21.63	16.46	-	16.46
<b>Total Non Financial Liability</b>	<b>127.74</b>	<b>-</b>	<b>127.74</b>	<b>98.88</b>	<b>31.95</b>	<b>130.83</b>
<b>Total Liabilities</b>	<b>145.18</b>	<b>12.81</b>	<b>157.99</b>	<b>129.55</b>	<b>51.85</b>	<b>181.40</b>



AXIS ASSET MANAGEMENT COMPANY LIMITED  
Notes to financial statements for the year ended March 31, 2021

35 Lease

Right to use of asset		Rs. In crores	
Particulars	Property	Motor Vehicles	Total
As at 31 March 2019	-	-	-
Additions	35.56	0.44	36.00
Depreciation expense	(9.12)	(0.18)	(9.30)
As at 31 March 2020	26.44	0.26	26.70
Additions	1.93	0.15	2.08
Deletion	(0.36)	-	(0.36)
Depreciation expense	(8.93)	(0.13)	(9.06)
As at 31 March 2021	19.08	0.28	19.36

Lease liability		Rs. In crores
Particulars	Amount Rs.	
As at 1 April 2019	-	
Additions	35.05	
Accretion of interest	-	
Payments	(7.57)	
As at 1 April 2020	27.48	
Additions	1.99	
Accretion of interest	2.17	
Payments	(10.47)	
As at 31 March 2021	21.17	
Current	8.73	
Non-current	12.44	

Particulars	Rs. In crores	
	March 31, 2021	March 31, 2020
Depreciation expense of right-of-use assets	9.06	9.30
Interest expense on lease liabilities	2.17	2.53
Expense relating to short-term leases (included in other expenses)	-	-
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
Total amount recognised in profit or loss	11.23	11.83

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 2021.

36 Related party transactions

The related parties of the Company are as follows:

- |  |   |
|--|---|
| A) Holding Company   | : Axis Bank Limited   |
| B) Fellow Subsidiaries                                     | : Axis Capital Limited<br>: Axis Securities Limited<br>: Axis Trustee Services Limited  |
| C) Significant Share Holder                                | : Schroder Singapore Holdings Private Limited (SSHPL) is a wholly owned subsidiary of Schroder Investment Management (Singapore) Limited (SIMSL)                                      |
| D) Fellow subsidiaries of significant Share Holder - SIMSL | : Schroders Investment Management Limited<br>: Schroder Investment Management Luxembourg S.A.<br>: Schroder Investment Management Australia Limited<br>: Schroder Unit Trusts Limited |
| D) Key Management Personnel                                | : Mr. Chandresh Kumar Nigam (MD & CEO)<br>: Mr. Gopal Menon (COO & CFO)<br>: Mr. Lalit Taparia (Company secretary)  |
| E) Directors   | : Mr. Ashok Sinha<br>: Mr. Sonia Singh<br>: Mr. Ramesh Kumar Bammi<br>: Mr. U. R. Bhat<br>: Mr. Shailendra Bhandari<br>: Mr. V. Anantharaman<br>: Mr. Ravindra B Garikipati           |





AXIS ASSET MANAGEMENT COMPANY LIMITED

Sr. No.	Name of Related Party	Description of Transactions/Categories	2020-21		2019-20	
			Transaction for the Year	Outstanding amount carried to Balance Sheet	Transaction for the Year	Outstanding amount carried to Balance Sheet
1	Axis Bank Limited	Mutual Fund - Brokerage (amortised value)# AIF - Brokerage & Set up fees \$ PMS - Brokerage & Set up fees \$ PMS - FA/R&T/CCIL fees Bank Charges Rent Expenses Facilities Expenses Branding Expenses ( Royalty ) Administrative & Other Expenses Car loan Interest Investor Compensation (Receivable) Reimbursement of TDS on ESOP * Current account balance as per book Current account balance with Axis Bank Equity Share Capital contribution: Contribution to Share Premium a/c Secured Loan	5.09 16.29 20.27 0.87 0.01 2.88 0.56 0.93 1.85 0.03 0.00 - 0.34 4.05 - - 0.15	- 0.06 1.87 0.02 - - - 0.24 0.04 - 0.00 - - - - 157.58 21.67 0.51	14.31 10.40 16.56 1.26 0.05 2.88 0.59 0.70 1.99 - - - 0.85 0.94 - - - 0.37	- 0.27 0.96 0.34 - - - 0.23 0.82 - - - - - - 157.58 21.67 0.37
2	Schroder Investment Management Luxembourg S.A.	Offshore Advisory fees Income/Receivable	14.50	1.24	20.06	1.31
3	Schroder Investment Management Australia Limited	Offshore Advisory fees Income/Receivable	2.14	0.63	1.94	0.49
4	Schroder Unit Trusts Limited	Offshore Advisory fees Income/Receivable	0.64	0.07	0.40	0.05
5	Schroder Investment Management Ltd	Offshore Advisory fees Expense / Payable	1.65	1.65	0.53	0.61
6	Schroder Singapore Holdings Private Limited	Equity Share Capital contribution: Contribution to Share Premium a/c	-	-	-	52.53 7.22
7	Axis Securities Ltd.	Mutual Fund - Brokerage (amortised value)# Other Cost	0.08 0.19	-	0.23	-
8	Axis Capital Ltd.	Outsourced services cost	-	-	0.02	-
9	Mr. Ashok Sinha	Mutual Fund - Brokerage (amortised value)#	-	-	0.00	-
10	Mrs. Sonia Singh	Sitting Fees	0.04	-	0.09	-
11	Mr. Ramesh Kumar Bammi	Sitting Fees	0.05	-	0.05	-
12	Mr. U. R. Bhat	Sitting Fees	-	-	0.03	-
13	Mr. Shailendra Bhandari	Sitting Fees	0.07	-	0.04	-
14	Mr. V. Anantharaman	Sitting Fees	0.09	-	0.06	-
15	Mr. Ravindra B Garikipati	Sitting Fees	0.03	-	0.05	-
16	Mr. Chandresh Kumar Nigam (MD & CEO)	Remuneration to Key Managerial Personnel**	18.85	-	17.54	-
17	Mr. Gopal Menon (COO & CFO)	Remuneration to Key Managerial Personnel**	3.80	-	3.13	-
18	Mr. Lalit Tapria	Remuneration to Key Managerial Personnel**	0.26	-	0.19	-

# Note:- Total transaction value of brokerage for F.Y.2020-21 in company books for Axis Bank Ltd and Axis Securities Ltd. is NIL.

\$ Note:- Total transaction value of brokerage for PMS for F.Y.2020-21 in company books Rs.8.59 crs & for AIF Rs.0.40 crs

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

\* Note:- Axis Bank Ltd had granted ESOPs to certain employees of company. TDS on ESOPs perquisites of Rs.0.02 crs is routed through the company for payment into government treasury.



**AXIS ASSET MANAGEMENT COMPANY LIMITED**  
Notes to financials statements for the year ended March 31,2021

37 Expenditure and Earning in foreign currency

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

**Earning in foreign currency**

Particulars	Rs. In crores	
	For the year March 31,2021	For the year March 31,2020
Advisory Fees	17.43	22.39
	<b>17.43</b>	<b>22.39</b>

**Expenditure in foreign currency (on accrual basis)**

Particulars	Rs. In crores	
	For the year March 31,2021	For the year March 31,2020
Travelling, lodging and conveyance	-	0.01
AIF Operation	0.04	0.04
Scheme Expenses Operation	1.65	0.07
Staff Welfare	0.02	-
Data online, Computer & Software related cost	0.13	0.03
IT-Related Cost	-	0.01
Prof Fees Legal	0.34	0.13
Advisory fee	-	0.53
<b>Total</b>	<b>2.18</b>	<b>0.82</b>

**Unhedged foreign currency exposure:**

	Rs. In crores			
	As at March 31,2021		As at March 31,2020	
	Foreign Currency	Rs. Crs	Foreign currency	Rs. Crs
<b>Advisory fees receivables</b>				
USD	169,762	1.24	173,477	1.31
AUD	120,889	0.67	105,056	0.49
GBP	6,646	0	4,923	0.05
<b>Advisory fees Payable</b>				
USD	225,483	1.65	70,832	0.53

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

Jayesh Gandhi

Partner

Membership No.37924

Mumbai, April 15, 2021

For and on behalf of the Board

V. Anantharaman

Director

DIN: 01223191

Gopal Menon

COO & CFO

Mumbai, April 15, 2021

Chandresh Kumar Nigam

Managing Director & CEO

DIN: 00498968

Lalit Taparia

Company Secretary

