



*[Disclosure Document as per Schedule II of SEBI ((Issue and Listing of Non-Convertible Securities)) Regulations 2021, as amended from time to time, and private placement offer letter, pursuant to section 42 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014]*

**AXIS FINANCE LIMITED**

(A public company incorporated under the Companies Act, 1956 and validly existing under the Companies Act, 2013 (as amended))

**CIN:** U65921MH1995PLC212675, **Permanent Account Number** – AAACK3010F,  
**RBI Registration Number** – N-13.02001

Private Placement of Rated, Fully Paid, Tier II, Subordinated, Rated, Listed, Unsecured, Redeemable, Non-convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each for cash, at par aggregating to Rs. 200,00,00,000.00 (Rupees Two Hundred Crores only) (including green shoe option to retain over subscription (“**Debentures**” or “**NCDs**”)).


This Offer Letter shall be read in conjunction with the Debenture Trust Deed dated [•], 2023 and the other Transaction Documents and it is agreed between the Debenture Trustee and the Company that in case of any inconsistency or conflict between this Placement Memorandum / Offer Letter and the Debenture Trust Deed, the provisions of the Debenture Trust Deed shall prevail and override the provisions of this Placement Memorandum / Offer Letter.

This Placement Memorandum / Offer Letter read together with the Term Sheet shall be referred to collectively as the ‘Disclosure Document’.




**Issuer Information:**

Sr. No	Particulars	Details
a.	<b>Name of Issuer</b>	Axis Finance Limited CIN: U65921MH1995PLC212675
	<b>PAN</b>	AAACK3010F
	<b>Website and other contact details of the Company</b>	<b>Website:</b> <a href="http://www.axisfinance.in">www.axisfinance.in</a>  <b>Contact Person:</b>  <b>Chief Financial Officer:</b> <b>Name:</b> Mr. Amith Iyer, CFO <b>Tel:</b> +91-22-62260096 <b>Fax:</b> +91-22-43253085 <b>Email ID:</b> <a href="mailto:amith.iyer@axisfinance.in">amith.iyer@axisfinance.in</a>  <b>Compliance Officer and Company Secretary: Name:</b> Mr. Rajneesh Kumar <b>Tel:</b> +91-22-6226 0117 <b>Fax:</b> +91-22-4325 3085 <b>Email:</b> <a href="mailto:rajneesh.kumar@axisfinance.in">rajneesh.kumar@axisfinance.in</a>
	<b>Date and Place of Incorporation</b>	27 <sup>th</sup> April 1995, Mumbai, Maharashtra
	<b>Latest Registration / Identification No.</b>	U65921MH1995PLC212675 issued by Registrar of Companies dated May 10, 2013 Certificate of registration dated September 12, 2011 bearing registration no. N-13.02001 issued by the Reserve Bank of India
	<b>Registered Office of the Issuer</b>	Ground Floor, Axis House, Wadia International Centre,



		Pandurang Budhkar Marg, Worli, Mumbai – 400025 Tel No. 022-6226 0096
	<b>Corporate Office of the Issuer</b>	Ground Floor, Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025 Tel No. 022-6226 0096
b.	<b>Compliance Officer &amp; Company Secretary of the Issuer</b>	Rajneesh Kumar Contact No. +91-22-6226 0117, Email ID: <a href="mailto:Rajneesh.kumar@axisfinance.in">Rajneesh.kumar@axisfinance.in</a>
	<b>CFO of the Issuer</b>	Amith Iyer Tel: +91-22-6226 0020, Email ID: <a href="mailto:amith.iver@axisfinance.in">amith.iver@axisfinance.in</a>
	<b>Promoters</b>	Our Parent / Promoter is Axis Bank Limited, a banking company incorporated under the Companies Act 1956 and validly existing under the provisions of Companies Act, 2013,  <b>Contact Person</b> – Sandeep Poddar, Senior Vice President II – Company Secretarial Department  <b>Corporate Office:</b> Axis Bank Limited Axis House, C-2, 8 <sup>th</sup> Floor, B-Block, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 Tel: +91 - 22 -24252525 / 43252525 Email: <a href="mailto:s.poddar@axisbank.com">s.poddar@axisbank.com</a>
c.	<b>Trustee to Issue</b>	Name: Catalyst Trusteeship Limited Address: Windsor, 6 <sup>th</sup> Floor, Office No. 604, C.S.T.Road, Kalina, Santacruz (East), Mumbai – 400 098 Tel: 22 4922 0555; Fax: 22 4922 0505 Email: <a href="mailto:ComplianceCTL-Mumbai@ctltrustee.com">ComplianceCTL-Mumbai@ctltrustee.com</a> Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>
		
d.	<b>Auditors of Issuer</b>	Name: M/s Singhi & Co., Chartered Accountants Address: B2 402 B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai – 400 013  ICAI Firm Registration No. – 302049E Phone No.: +91 22 6662 5537  Name: M/s B.K. Khare & Co., Chartered Accountants Address: 706/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020  ICAI Firm Registration No.: 105102W Phone No.: +91 22 6243 9500
e.	<b>Credit Rating for this Issue, Name, Address, Logo, Tel Number, Email Address and Contact Person Name</b>	<b>Name:</b> India Ratings and Research Private Limited <b>Office:</b> Wockhardt Towers, Level 4, West Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 <b>Contact Person:</b> Ms. Arunima Basu <b>Tel:</b> 022 4000 6138 <b>Email:</b> <a href="mailto:infogrp@indiaratings.co.in">infogrp@indiaratings.co.in</a>



	 <p>A Fitch Group Company</p> 	<p><b>Website:</b> <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a>  <b>Rating Assigned:</b> 'IND AAA/Stable'</p> <p><b>Name:</b> CRISIL Ratings Limited  <b>Office:</b> CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076</p> <p><b>Contact Person:</b> Mr. Krishnan Sitaraman  <b>Tel:</b> +91 22 33423000; Fax: 91-22-3342-3050  <b>Email:</b> <a href="mailto:crisilratingdesk@crisil.com">crisilratingdesk@crisil.com</a>  <b>Website:</b> <a href="http://www.crisilratings.com">www.crisilratings.com</a>  <b>Rating Assigned:</b> 'CRISIL AAA/Stable'</p>
	<p><i>Legal Counsel for the issue</i></p> 	<p>Name: Saraf and Partners Law Offices Contact Person: Mr. Abir Lal Dey  Address: One International Centre, Tower 2, 2402, 24<sup>th</sup> Floor, Senapati Bapat Marg, Prabhadevi West, Mumbai – 400013  Telephone: +91 98671 18609 Fax: N.A.  Email: <a href="mailto:abir.dey@sarafpartners.com">abir.dey@sarafpartners.com</a>  Website: <a href="https://sarafpartners.com/">https://sarafpartners.com/</a></p>
f.	<p><i>Date of the Placement Memorandum / Type of Placement of Memorandum</i></p>	<p>October 25, 2023 / Placement Memorandum for fully paid, Tier II, Subordinated, Rated, Listed, Unsecured, Redeemable Non-Convertible Debentures</p>
g.	<p><i>The Nature, Number, Price and Amount of Securities offered and Issue Size (Base Issue or Green Shoe), as may be applicable</i></p>	<p>20,000 (Twenty Thousand) Fully paid, Tier II, Subordinated, Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) thus aggregating the nominal value of up to Rs. 200,00,00,000.00 (Rupees Two Hundred Crores only)</p> <p>Base issue up to 5,000 (Five Thousand) fully paid, Tier II, Subordinated, Rated, Listed, Unsecured, redeemable, non-convertible debentures each having a face value of Rs. 1,00,000/- (Rupees One lakh only) of the aggregate nominal value of up to Rs. 50,00,00,000/- (Rupees Fifty crores only) plus green shoe option up to 15,000 (Fifteen Thousand) rated, fully paid, Tier II, Subordinated, Rated, Listed, Unsecured, redeemable, non-convertible debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of up to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only)</p>
h.	<p><i>The aggregate amount proposed to be raised through all the stages of offers of Non-Convertible Securities made through the Disclosure Document</i></p>	<p>Tier II, Subordinated, Unsecured, Redeemable Non-Convertible Debentures of Rs. 1,00,000/- (Rupees One lakh only) each aggregating Rs. Rs. 200,00,00,000/- (Rupees Two Hundred crores) only, including green shoe option to retain over subscription</p>
i.	<p><i>Registrar for the Issue</i></p>	<p>Name: Link Intime India Private Limited Address: C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083  Tel: +91 22 49186000</p>



	<b>LINKIntime</b>	Fax: +91 22 49186060 Email: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>	Website:
j.	<b>The Issue schedule</b> (i) <i>Date of opening of the issue;</i> (ii) <i>Date of closing of the issue;</i> <i>Date of earliest closing of the issue, if any</i>	October 27, 2023 October 27, 2023 October 27, 2023	
k.	<b>The Credit rating for the issue (cross reference of press release be provided)</b>	‘IND AAA/Stable’ issued by India Ratings and Research Private Limited vide their letter dated October 11, 2023 – <a href="https://www.indiaratings.co.in/pressrelease/62466">https://www.indiaratings.co.in/pressrelease/62466</a> ‘CRISIL AAA’/Stable’ issued by CRISIL Ratings Limited vide their letter dated October 11, 2023 and bearing reference number RL/ENAMF/322153/NCD/0723/65118/1149332 24/2 – <a href="https://www.crisil.com/mnt/winshare/Ratings/Ratenlist/RatingDocs/AxisFinanceLimited_July%2003,%202023_RR_322153.html">https://www.crisil.com/mnt/winshare/Ratings/Ratenlist/RatingDocs/AxisFinanceLimited_July%2003,%202023_RR_322153.html</a>	
l.	<b>All the ratings obtained for the private placement</b>	India Ratings and Research Private Limited – IND AAA/Stable CRISIL Ratings Limited – CRISIL AAA/Stable	
m.	<b>The name(s) of the stock exchanges where the securities are proposed to be listed</b>	BSE Limited / National Stock Exchange of India Limited	
n.	<b>The details about eligible investors /Class and Classes of person</b>	a. Qualified Institutional Buyers (QIBs), as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and b. Any non-QIB investor including arranger(s), who are eligible to participate in the issue through an Electronic Book Mechanism of BSE/NSE (BSE BOND – EBP/NSE BOND – EBP).	
o.	<b>Coupon/dividend rate, Coupon/dividend payment frequency, redemption date, redemption amount and details of debenture trustee</b>	Kindly refer to Term Sheet	
p.	<b>Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable</b>	Kindly refer to Term Sheet	
q.	<b>Details about underwriting of the issue including the amount undertaken to be underwritten by underwriters</b>	N.A.	
r.	<b>Inclusion of compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if</b>	The Debentures issued under this Disclosure Document shall be issued through the Electronic Book Mechanism and the Issuer shall accordingly notify the details of each such issuance of Debentures as per the Chapter VI of the Operational Guidelines issued by the Securities and	



	<i>applicable</i>	Exchange Board of India dated 10 <sup>th</sup> August, 2021 through one of the EBPs. Accordingly, the Issuer shall receive bids (during such hours of business as may be specified by the Issuer in this Placement Memorandum or such other time as may be notified by the Issuer through the relevant EBP) from the eligible applicants through the relevant EBP. At the sole discretion of the Issuer, the bids of the eligible applicants may be accepted by the Issuer and such applicants of successful bids shall be allotted Debentures as per the terms of the Disclosure Documents.
s.	<i>Annexure to placement document</i>	<p><b>Annexure A</b> – Summary of financial position of the Company during the last three financial years</p> <p><b>Annexure B</b> – Audited cash flow statements</p> <p><b>Annexure C</b> – Certified copy of Board resolution</p> <p><b>Annexure D</b> – Certified copy of the shareholder's resolution</p> <p><b>Annexure E</b> – Consent of trustee, credit rating letter &amp; rating rationale</p> <p><b>Annexure F</b> – Illustration of cash flows from the debentures</p> <p><b>Annexure G</b> – Disclosures of NBFCs</p> <p><b>Annexure H</b> – Audit report from statutory auditor for FY 2023, FY 2022 and FY 2021</p> <p><b>Annexure I</b> – Details of borrowing as on September 30, 2023</p> <p><b>Annexure J</b> – Events of default</p> <p><b>Annexure K</b> – Covenants of the issue</p> <p><b>Annexure L</b> – ALM statement</p> <p><b>Annexure M</b> – Due diligence certificate as per Annexure A and Schedule IV of the SEBI (Issue and Listing of Non-convertible securities) Regulations, 2021, as applicable</p>



**Disclaimer Clause:**

**1. Issuer:**

This Placement Memorandum / Offer Letter is neither a prospectus nor a statement in lieu of prospectus and should not be construed to be a prospectus or a statement in lieu of prospectus under the Act. The issue is being made strictly on a private placement basis. It is not intended to be circulated to any persons other than the investors specifically approached who are eligible to apply for this private placement of debentures, which shall not exceed such numbers as has been prescribed under section 42 of the Act read with Rule 14(2)(b) of the PAS Rules. This Placement Memorandum / Offer Letter is only issued to the addressee. However, multiple copies given to the same entity shall constitute a single offer letter and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the debentures issued to the public in general. This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021.

**2. SEBI:**

As per the provisions of the SEBI (Issue and Listing of Non- Convertible Securities) Regulations, as amended from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, it is not stipulated that a copy of this Disclosure Document has to be filed with or submitted to the SEBI for its review/approval. It is to be distinctly understood that this Disclosure Document should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI and nor does the SEBI guarantee the adequacy and accuracy of this Disclosure Document. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Disclosure Document.

**3. Stock Exchange:**

It is to be distinctly understood that filing of this Document with the stock exchange should not, in any way, be deemed or construed that the same has been cleared or approved by the stock exchange nor does the stock exchange in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Document, nor does the stock exchange warrant that the Issuer's Debentures will be listed or will continue to be listed on the stock exchange; nor does the stock exchange take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

**4. Disclaimer in Respect of Jurisdiction:**

Issue of the Debentures have been/will be made in India to investors as specified under clause **“Who Can Apply”** in this Disclosure Document, who have been/shall be specifically approached by the Company. This Disclosure Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. This Disclosure Document does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Maharashtra. Persons into whose possession this Disclosure Document comes are required by the Issuer to inform them about and observe any such



restrictions. The sale or transfer of these Debentures outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

## **5. Disclaimer by Reserve Bank of India:**

The Company is having a valid certificate of registration dated 12<sup>th</sup> September, 2011 bearing registration no. N-13.02001 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/ discharge of liability by the Company.

## **Applicable Regulations:**

Disclosure Document containing disclosure as per Schedule – II to the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time (“**Debt Listing Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**Listing Regulations**”), Operational Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued by SEBI vide circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, the Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/or Commercial Paper dated July 29, 2022 by SEBI bearing reference number SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103, as amended from time to time, Master Direction – Non-Banking Financial Company – Systemically Important Non – Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 and Form No. PAS – 4 pursuant to Section 42 of the Companies Act, 2013 (“**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, (“**PAS Rules**”), as amended from time to time.

## **Issuer’s Covenants:**

The Company shall not utilise monies raised through the proposed Private Placement unless allotment is made and the Return of Allotment is filed with the jurisdictional Registrar of Companies (“**ROC**”) within the stipulated time prescribed under the Act. Any application by a person to whom the Offer Letter has not been sent by the Company shall be rejected without assigning any reason. The Private Placement Offer and application does not carry any right of renunciation. The Issue described under this Offer Letter has been authorised by the Company through resolutions passed by the Board of Directors (“**Board**”) of the Company with the Board Resolution dated 13<sup>th</sup> April 2023, the shareholders of the Company on 6<sup>th</sup> June 2023 and the memorandum of association and articles of association of the Company (collectively, the “**Constitutional Documents**”). The Issue shall be subject to the provisions of the Act, the PAS Rules, other rules notified pursuant to the Act, the Constitutional Documents, Part – B of the Offer Letter i.e. the application form to be filled by the prospective eligible investors and the terms and conditions of the Issue as may be incorporated in the debenture trust deed executed by the Company in relation to the Issue.

The covenants appended to this Disclosure Document under **Annexure K** are in accordance with the Debenture Trust Deed executed / to be executed by the Issuer and the Debenture Trustee. In the event there are any change, addition, modification in these covenants or any additional / supplemental / amendatory Debenture Trust Deed is executed capturing change, addition, modification to these covenants, the same shall be duly intimated to the investors by way of Corrigendum / Annexure / Schedule to this Disclosure Document.



**General Risks:**

As the Issue is being made on private placement basis, this Offer Letter has not been submitted, cleared or approved by SEBI. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Offer Letter. Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of “Risk Factors” contained under section 1.3.26 of this Offer Letter. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor’s decision to purchase such securities.

**Listing:** The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited (‘BSE’) / National Stock Exchange of India Limited (‘NSE’).

**Credit Rating:**

The Debentures have been rated as ‘IND AAA/Stable’ issued by India Ratings and Research Private Limited vide their letter dated October 11, 2023 and ‘CRISIL AAA/Stable’ issued by CRISIL Ratings Limited vide their letter dated October 11, 2023 bearing reference number RL/ENAMF/322153/NCD/0723/65118/114933224/2 (terms & conditions of the issue are provided in this Offer Letter and credit rating letters are provided as **Annexure E**). The said rating is not a recommendation to buy, sell or hold the Debentures and Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning credit rating agency and each rating should be evaluated independently of any other rating. The rating obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information etc.

**1. Details of Promoters of the Issuer Company:**

Name	Date of Birth/ Incorporation	Age	Personal Address	Educational Qualification/ Experience	Financial Activities PAN	Financial Activities
Axis Bank Limited CIN No.: L65110GJ199 3PLC020769	03/12/1993	N.A.	Trishul 3 <sup>rd</sup> Floor, Opp Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380006	N.A	AAACU24 14K	Banking

The Company confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the Non-Convertible Securities are proposed to be listed, at the time of filing the draft Offer Document: The Permanent Account Number of the Promoter and of the Directors have been submitted to the stock exchanges on which the Non-Convertible Securities are proposed to be listed, at the time of filing the draft Offer Document.



2. Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.

The Company further confirms that the below ratings are valid as on the date of issuance and listing.

Name	Rating	Outlook	Date
CRISIL Ratings Limited	CRISIL AAA	Stable	September 06, 2023
India Ratings and Research Private Limited	IND AAA	Stable	September 06, 2023

**Link of press release to be given:**

India Ratings and Research Private Limited: <https://www.indiaratings.co.in/pressrelease/62466>

CRISIL Ratings:

[https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/AxisFinanceLimited\\_July%2003,%202023\\_RR\\_322153.html](https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/AxisFinanceLimited_July%2003,%202023_RR_322153.html)

The said press release is not older than one year from the date of opening of the issue.

3. Name(s) of the Stock Exchange(s) where the Non-Convertible Securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s):

The Debentures are proposed to be listed on the BSE Limited / National Stock Exchange of India Limited. The draft Placement Memorandum has been uploaded on BSE/NSE portal for in-principle approval. The date will be updated at the time listing.

4. The following details regarding the Issue under the “Issue Schedule”, are mentioned below:

Particulars	Date
Issue Opening Date	October 27, 2023
Issue Closing Date	October 27, 2023
Pay in Date	October 30, 2023
Deemed Date of Allotment	October 30, 2023

Procedure:

**Link to BSE's Circular:**  
<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20210816-32>

Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration -Provided as per **Annexure F**.

5. Name, logo, addresses, website URL, email address, telephone number and contact person of:
- Debenture Trustee to the Issue: Please refer page no. 3 of this Placement Memorandum
  - Credit Rating Agency for the Issue: Please refer page no. 3 of this Placement Memorandum



- c) Registrar to the Issue: Please refer page no. 4 of this Placement Memorandum
- d) Statutory Auditors: Please refer page no.3 of this Placement Memorandum
- e) Legal Counsel, (If any): Please refer page no. 3 of this Placement Memorandum
- f) Guarantor, if applicable: No
- g) Arrangers, if any: No

## **1. Overview of the business of the Issuer**

### **Brief summary of the business carried on by the Company and its subsidiaries together with details of divisions and branches or units, if any**

The Company was incorporated as Kalpataru Hire Purchase & Leasing Private Limited on 27-04-1995. The name of Company was later changed to Enam Finance Private Limited (EFPL) vide certificate of incorporation dated 24-06-2008. As part of the scheme of arrangement, wherein certain business activities of Enam Group were acquired by Axis Bank Group, accordingly, with effect from 20-10-2012, Enam Securities Private Limited (holding company of EFPL) was merged into Axis Sales and Securities Limited, a wholly owned subsidiary of Axis Bank Limited. The name of the merged entity was thereafter changed to Axis Capital Limited.

Further, giving legal effect to the scheme of arrangement, the Board of Directors of the EFPL in their meeting held on 20-10-2012 approved the transfer of shares of EFPL held by Axis Capital Limited to Axis Bank Limited. In order to reflect the change in ownership and control the name of the Company was changed from EFPL to Axis Finance Private Limited vide certificate of incorporation dated 26-03-2013. The Company was later converted into Public company and to its present name vide a fresh Certificate of Incorporation issued on 10-05-2013.

The Company is a systemically important non-deposit accepting non-banking financial company (NBFC-ND-SI) and is registered with the Reserve Bank of India. The Company is a wholly owned subsidiary of Axis Bank Limited.

### **Parent / Promoter's Overview:**

#### **Axis Bank Limited:**

Axis Bank Limited / the Bank is the third largest private sector bank in India. The Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporates, MSME, Agriculture and Retail Businesses.

The Bank has a large footprint of domestic branches (including extension counters), ATMs and cash recyclers spread across the country. The Bank has Virtual Centres and Virtual Relationship Managers as well. The Overseas operations of the Bank are spread over international offices with branches at various international locations. The international offices focus on Corporate Lending, Trade Finance, Syndication, Investment Banking and Liability Businesses.

The Bank is one of the first new generation private sector banks to have begun operations in 1994. The Bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd. The shareholding of Unit Trust of India was subsequently transferred to SUUTI, an entity established in 2003.



With a balance sheet size of Rs. 13,17,326 crores as on 31<sup>st</sup> March 2023, the Bank has achieved consistent growth and with a year on year CAGR of 12% each in Total Assets & Advances and 15% in Deposits.

**Product Profile:**

The Company as a Non-Banking Finance Company is positioned to offer products in the Wholesale, Retail and Emerging markets. A brief on the products offered is as below:

➤ **Wholesale Lending Solutions Corporate Lending**

- Primary focus is on the well rated firms with strong cash-flow models
- The Company targets large conglomerates with proven credentials, established legacy and sector- leading large corporates.
- Leverage One Axis capabilities

➤ **Collateralized Loans**

The Company adapts a cluster-based approach targeting the non-cyclical sectors. The Company targets non-cyclical sectors with strong operating entities. The structure focuses to include identified set of cash-flows and Quality and Liquidity of Hard Collateral.

➤ **Emerging Corporate Lending**

The Company adapts a cluster-based approach majorly in Tier II-IV cities with focus on leading firms in the respective segments.

Under this product, the Company focuses on small ticket size loans to aid granularity. The Company aids Emerging Corporate Lending to SMEs and mid corporates with average ticket size of Rs. 10 to 15 crores which would help in increasing the granularity.

**Real Estate Financing**

The Company focuses on top developers in selected micro-markets. The primary focus has been on ready inventory backed funding to top developers and existing clientele selectively in key markets.

The focus has also been into construction funding to large developers of existing customers in selected micro-markets.

**Retail Lending Solutions**

➤ **Home Loan**

Home loan is classified a secured loan product and is offered to individuals and non-individuals for the purchase of residential property, home renovation and also purchase of plots and construction upon the same. Customers can avail of both EMI and Flexi EMI for repayment of loan. Home Loans are disbursed to the sellers' account, on behalf of the borrower and the tenure for repayment is up to 30 years.

➤ **Loan Against Property**

Loan Against Property (LAP) is yet another form of secured borrowing taken against any Residential, Commercial or Special property. LAP can be availed by both salaried and self-employed customers.



The only two segments which are excluded from this product offering are NRIs and Mariners. Funds are usually credited to the borrower's account and the tenure for repayment is up to 20 years.

➤ **Personal Loans**

This is a form of unsecured borrowing that is extended to salaried individuals. Personal Loans are usually opted by customers to meet any ad-hoc personal financial needs. Loans of up to 50 lakhs are offered under this program and the tenure of repayment is up to 7 years.

➤ **Business Loan**

Another form of unsecured loan that is extended exclusively to self-employed individuals to meet their business requirements. Loans of up to 30 lakhs are offered to customers with a repayment tenure of up to 5 years.

**Emerging Market Lending Solutions**

(i) **Term Loan**

The Company sanction loans from Rs. 5 crores to Rs. 25 crores. The tenure of the loan extends up to 180 months.

Under this category, the Company accepts widest range of collaterals accepted Residential, Commercial property, residential / industrial plots, schools, hospitals, nursing homes warehouses etc.

(ii) **Lease Rental Discounting**

Under this concept, there is a balance transfer, additional Loan Facility and Debt Consolidation.

(iii) **Flexi Repay (DOD)**

Under this category, the Company offers Loans for Salaried, SEPs (CAs & Doctors), SENPs, entities including Partnerships, LLPs, Private Limited Companies, Closely Held Companies, Trusts, HUFs, Societies etc.

The Company offers loans at competitive Interest rates. Subject to the Company's reference rate, overall customer profile, quality of collaterals risk assessment of the borrower is also taken into consideration by the Company.

**2. Corporate Structure of the Issuer:**

The Company is managed by the Board of Directors who has appointed **Mr. Bipin Saraf** as **Managing Director & CEO** of the Company.

**3. Project cost and means of financing, in case of funding of new projects: N.A.**

**Brief Particulars of the Management of the Company**

The brief profile of the Board of Directors is as under:

**Mr. Amitabh Chaudhry**, is an Engineer from Birla Institute of Technology and Science, Pilani and has done his Post Graduate in Business Management from IIM, Ahmedabad.



He joined Axis Bank Limited as its MD & CEO on 1<sup>st</sup> January 2019, after successfully leading HDFC Standard Life Insurance Company Limited (HDFC Life), for over nine years. Under his leadership, HDFC Life emerged as the finest brand in the life insurance space and is one of India's largest private life insurers.

Prior to HDFC Life, Amitabh Chaudhry was the Managing Director and CEO of Infosys BPO and the Head of testing unit of Infosys Technologies Ltd. He was instrumental in building the BPO right from its inception and was later credited for making it an extremely profitable business having presence across seven countries.

He started his career with Bank of America in 1987 and played diverse roles such as Head of Technology Investment Banking for Asia, Regional Finance Head for Wholesale Banking and Global Markets, Chief Finance Officer of Bank of America (India) and Relationship Manager in Wholesale Banking for Mumbai and Delhi. He moved to Credit Lyonnais Securities in 2001 as Head of Structured Finance practice and then also took over as the Head of Investment Banking franchise for South East Asia, before joining Infosys BPO in 2003.

**Mr. Bipin Kumar Saraf** is a Rank Holder Chartered Accountant and Cost Accountant and holds a Bachelor's degree in Commerce. He has more than 22 years of experience in the areas of Finance and Banking. Before joining Axis Bank Limited, Mr. Saraf was with IFCI Limited from 1995 to 2003. He commenced his career with IFCI Limited and was responsible for handling the portfolio of large and medium corporates belonging to various sectors including Steel, Power, Textile, Petrochemicals, etc. He joined the Capital Market Department of Axis Bank Limited in 2003 and was in-charge of the Corporate & Financial Advisory Portfolio in the Eastern Zone with the primary responsibility of undertaking project advisory & appraisal assignments, corporate restructuring and syndication of funds for various corporate clients. Subsequent to that he was responsible for the Structured Products business under the Capital Markets Department of Axis Bank Limited. During his last stint with Axis Bank he was Head of the Global Debt Syndication Business (International & Domestic). He has been heading Axis Finance Ltd as the MD & CEO for the past 9 years and has been instrumental in setting up Axis Finance. To his credit, Axis Finance Limited (AFL) under his tenure has evolved as one of the fastest growing NBFCs with a balance sheet size of around Rs. 13,500 crores and a prime focus on Wholesale and Retail Lending. AFL under his tenure has secured the Highest Credit Rating CRISIL & India Ratings), exhibited robust operating parameters and is well poised to grow in future years.

**Mr. Babu Rao Busi**, holds a bachelors degree in engineering and is an alumni of Indian Institute of Management, Ahmedabad. Mr. Babu Rao has more than 30 years of experience in the area of Finance, Capital Markets and Fund Management in UTI Mutual Fund. He retired as the CEO of the Specified Undertaking of UTI (SUUTI). During his stint with UTI, he has handled various assignments and extensively worked in the areas of Project Finance, Investment Management, Offshore Funds, Venture Capital and Private Equity Funds, resolution of stressed assets and investor relations.

**Mr. Deepak Maheshwari** is a B.Com (University Topper) from the University of Rajasthan and CAIIB from the Indian Institute of Banker and was a Group Executive and Chief Credit Officer of the Bank since January, 2019 and was responsible for credit underwriting, policy and monitoring. He joined Axis Bank after spending two decades in HDFC Bank where he was Group Head of the Wholesale Credit function, responsible for asset quality, sanctions, policy and monitoring of the entire Wholesale credit portfolio of that Bank. Prior to that he had spent another two decades in SBI in various Credit and Management functions, with his last major posting being as Vice President (Credit) SBI (Canada), Toronto.

**Mr. Biju Pillai** joined the Company as Chief Business Officer – Retail Business in September 2019 and was appointed as Whole time Director in November 2019. He has 26 years of wide ranging experience handling multiple functions and roles covering numerous product categories in Consumer lending, Rural lending and Business banking businesses. He supervises Retail Business which includes



Sales & Distribution, Product and Policy Formulation, Underwriting & Collections, Marketing & Risk Analytics. He also looks into the IT strategy and Implementation for the company. Before joining Axis Finance, he worked in various organisations including Anagram Finance, Bank of America, HDFC Bank and IDFC Bank. He has built some of the retail businesses from scratch during his tenure in HDFC Bank and IDFC Bank. He has also been instrumental in launching new business lines such as Gold Loans, Small Business Working Capital (EEG) during his stint in HDFC Bank. Mr. Pillai has a degree in Textile Engineering from M S University, Baroda and is a post graduate in Management from Gujarat University.

**Mr. U B Pravin Rao** holds a degree in Electrical Engineering from Bangalore University, India. He was Chairman of the National Association of Software and Service Companies (NASSCOM) in FY21. He has been member of Executive Council of Nasscom since 2016. He was also a member of the National Council of the Confederation of Indian Industry (CII) from 2016 through 2021. Pravin Rao is Former Chief Operating Officer (COO) of Infosys and a Whole-time Director of the Board. He superannuated in December 2021 after serving over 35 years at Infosys. He was inducted on January 10, 2014 as a member of the Board. He was elevated to COO in Aug 2014. He was a member of the Stakeholder Relationship Committee and the Corporate Social Responsibility Committee of the Board. In addition, he participated in ALL Board committee meetings as Management representative. As the Chief Operating Officer, Mr. Rao has overall strategic and operational responsibility for the entire portfolio of the Company's offerings. Mr. Rao oversees the key functions of global delivery and business enablement.

He has over 35 years of industry experience. Since joining Infosys in 1986, he has held a number of senior leadership roles including Interim Chief Executive Officer and Managing Director, Head of Infrastructure Management Services, Delivery Head for Europe, and Head of Retail, Consumer Packaged Goods, Logistics and Life Sciences.

**Mr. K. Narasimha Murthy** having brilliant academic records, getting ranks in both CA & ICWA courses entered the Profession of Cost & Management Accountancy in 1983. He is associated with the development of Cost & Management Information Systems for more than 175 Companies covering more than 50 Industries. In addition, he is closely associated with turning around of many large Corporates, focusing on systems improvement with Cost Reduction approach.

He is closely involved with several National Level Institutions. He has been associated with more than 45 High Level Committees as Chairman / Member both at National & State Level, which include Audit Reforms Implementation Committee on Public Sector Banks, Prasara Bharati Restructuring Committee, Expert Committee on Common Wealth Games, Restructuring Committee of State Level PSUs, Expert Committee on Co-op. Credit Institutions, Fiscal Reforms Implementation Committee etc.

He is also associated with the development of Cost Accounting Record Rules for many industries as a member of Informal Advisory Committee, Department of Corporate Affairs, Government of India. His efforts in the furtherance of Cost & Management Accounting profession in India were recognized by the Institute of Cost & Works Accountants of India (ICWAI) which has honored him by giving citation in October 2007.

**Mrs. Pallavi Kanchan** completed her graduation in Economics Honours from St Stephen's College in Delhi University. She then went on to complete her post graduation degree in Business Administration from the Faculty of Management Studies, Delhi University.

She started her banking career in 1993 with ANZ Grindlays Bank. Initially in retail banking, she subsequently moved to corporate and then investment banking. She has worked with Standard Chartered Bank (Head Commercial Real Estate) and The Hongkong and Shanghai Banking Corporation Ltd. (Director, Global Banking) and has over two decades of corporate and investment banking



experience. She then went on to apply her management expertise in the media space and was the Chief Executive Officer, The Indian and Eastern Engineers Co. Pvt Ltd, Publisher of Verve and IQ magazines.

She champions Diversity and Women's empowerment at the workplace and is currently working in the social sector focusing on revival of the folk arts and crafts of India, education for the under privileged and improving and uplifting the community in the local neighbourhood.

(iv) **Financial Information:**

**Key Operational and Financial Parameters on consolidated and standalone basis**  
(Consolidated is not applicable as the Company doesn't have any subsidiary/ies)

1. **Key Operational and Financial Parameters for the last three audited years\***

**On standalone basis**

(in crores)

Parameters	H1 FY 2023 - 2024	FY 2022 - 2023	FY 2021- 2022	FY 2020- 2021
<b>Balance Sheet</b>				
Net Fixed assets	22.04	20.02	19.86	16.46
Current assets	10,280.12	5,934.53	3735.54	3,025.94
Non-current assets	16,889.28	18,052.71	13,561.01	8,169.64
Total assets	27,191.44	24,007.26	17316.42	11,212.05
Non-Current Liabilities (including maturities of long-term borrowings and short term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	16,062.30	14,587.39	10,149.27	5,031.81
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities	7,677.16	6248.29	4,976.02	4,737.75
Equity (equity and other equity)	3,451.98	3,171.57	2191.13	1,442.48
Total equity and liabilities	27,191.44	24,007.26	17,316.42	11,212.05
<b>Profit and Loss</b>				
Total revenue				
From operations	1434.12	2,326.58	1433.38	1,029.16
Other income	0	-	-	-
Total Expenses	1056.61	1,553.17	969.35	766.84
Total comprehensive income Profit / loss	377.51	580.48	346.35	194.64
Other comprehensive income	-0.53	1.38	0.02	0.02
Profit / loss after tax	280.41	579.10	346.34	194.62
Earnings per equity share: (a) basic; and (b) diluted	4.76	10.12	7.08	4.04
Continuing operations				
Discontinued operations				
Total Continuing and discontinued operations				
<b>Cash Flow</b>				
Net cash generated from operating activities	3715.20	-5,102.12	-5,485.13	2337.79



Parameters	H1 FY 2023 - 2024	FY 2022 - 2023	FY 2021- 2022	FY 2020- 2021
Net cash used in / generated from investing activities	42.41	-146.41	280.8	-775.24
Net cash used in financing activities	3030.49	5,657.83	5,499.50	3001.79
Cash and cash equivalents	112.87	755.16	345.86	50.68
Balance as per statement of cash flows	112.87	755.16	345.86	50.68
<b>Additional information</b>				
Net worth	3451.98	3,171.57	2,191.13	1,442.48
Cash and Cash Equivalents	112.87	755.16	345.86	50.68
Current Investments	460.32	510.19	15.99	761.07
Assets Under Management	29,449.00	24,995	17,059	10,989.37
Off Balance Sheet Assets			-	-
Total Debts to Total assets	0.85	0.83	0.85	0.86
Debt Service Coverage Ratios	5.33%	9.85%	10.17%	7.87%
Interest Income	1,348.35	2136.25	1,372.23	1,014.72
Interest Expense	819.35	1196.39	697.36	489.77
Interest service coverage ratio	1.46	1.65	1.67	1.54
Provisioning & Write-offs	58.51	65.34	72.88	121.21
Bad debts to Account receivable ratio	-	-	-	-
Gross NPA (%)	0.52%	0.61%	1.23%	2.85%
Net NPA (%)	0.26%	0.26%	0.42%	1.86%
Tier I Capital Adequacy Ratio (%)	13.80%	14.79%	14.03%	13.05%
Tier II Capital Adequacy Ratio (%)	3.97%	5.31%	5.15%	6.50%

## 2. Debt:Equity Ratio of the Issuer:

*Before the issue of debt securities (considering the debt position as on 29.10.2023 & net worth as on 30.09.2023)	6.70
*After the issue of debt securities (considering debt position as on 30.10.2023 & 200 crores fresh NCD addition in debt position & Net worth position as on 30.09.2023)	6.75

\*considering the full amount of the issue including green shoe option

## 3. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability:

There is a contingent liability Rs. 742.61 lakhs as 31<sup>st</sup> March 2023 (Previous year: Rs. 70.87 Lakhs as 31<sup>st</sup> March 2022).

**Profits of the company, before and after making provision for tax, for the immediately preceding three financial years: (Consolidated is not applicable as AFL doesn't have any subsidiary)**

### Standalone

(in crores)

Particulars	H1 FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21
Profit before provision for tax	377.51	773.4	464.03	262.33
Less: provision for tax	96.57	194.32	117.69	67.71
Profit after provision for tax	280.94	579.1	346.34	194.62

Dividend declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid / interest paid):

Particulars	H1 FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21
Dividend Paid Rs. in crs	NIL	NIL	NIL	NIL
Interest Coverage Ratio	1.46	1.65	1.67	1.54



Abridged version of Audited Consolidated and Standalone Financial Information (P&L, BS and CF) for last three years and auditor qualifications, if any – **Annexure A & B**

Abridged Version of Latest Audited/Limited Review Half-Yearly Consolidated and Standalone Financial Information (Profit and Loss and Balance Sheet) and auditor qualifications, if any – **Annexure A**

Audited Cash Flow Statement for the three years immediately preceding the date of circulation of Prospectus – **Annexure B**

Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company – **Nil**

Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities:

There is no material event / development or change at the time of issuance of this document which may affect the Issue or the Investors' decision to invest / continue to invest in the debt securities. Please also refer to the Risk Factors.

**(v) A brief history of the Issuer since its incorporation giving details of its following activities:**

The Company was incorporated as Kalpataru Hire Purchase & Leasing Private Limited on 27-04-1995. The name of Company was later changed to Enam Finance Private Limited (EFPL) vide certificate of incorporation dated 24-06-2008. As part of the scheme of arrangement, wherein certain business activities of Enam Group were acquired by Axis Bank Group, accordingly, with effect from 20-10-2012, Enam Securities Private Limited (holding company of EFPL) was merged into Axis Sales and Securities Limited, a wholly owned subsidiary of Axis Bank Limited. The name of the merged entity was thereafter changed to Axis Capital Limited.

Further, giving legal effect to the scheme of arrangement, the Board of Directors of the EFPL in their meeting held on 20-10-2012 approved the transfer of shares of EFPL held by Axis Capital Limited to Axis Bank Limited. In order to reflect the change in ownership and control the name of the Company was changed from EFPL to Axis Finance Private Limited vide certificate of incorporation dated 26-03-2013. The Company was later converted into Public company and to its present name vide a fresh Certificate of Incorporation issued on 10-05-2013.

The Company is a systemically important non-deposit accepting non-banking financial company (NBFC-ND-SI) and is registered with the Reserve Bank of India. The Company is a wholly owned subsidiary of Axis Bank Limited.

**a) Details of share capital as at last quarter end: September 30, 2023:**

Particulars	Amount (in Rs.)
Share Capital (Rs.)	590,81,38,860
Authorized Share Capital (Rs.)	1000,00,00,000
Issued, Subscribed and Paid-up Share Capital (Rs.)	590,81,38,860

**b) Changes in its capital structure as at last quarter end i.e. September 30, 2023, for the last three years:**



*Series – AFL 06/2023-24*

*Security Name – 8.28% Unsecured NCDs, Axis Finance Limited,  
2033*

*Date – October 25, 2023*

*Private & Confidential  
For Private Circulation Only*

<b>Date of Change (AGM/EGM)</b>	<b>Rs.</b>	<b>Particulars</b>
April 25, 2013	3,000,000,000	Increase in Authorised Share Capital from Rs. 500,000,000 to Rs. 3,000,000,000
February 26, 2015	3,300,000,000	Increase in Authorised Share Capital from Rs. 3,000,000,000 to 3,300,000,000
October 28, 2015	10,000,000,000	Increase in Authorised Share Capital from Rs. 3,300,000,000 to Rs. 10,000,000,000



*Series – AFL 06/2023-24*

*Security Name – 8.28% Unsecured NCDs, Axis Finance Limited,  
2033*

*Date – October 25, 2023*

*Private & Confidential  
For Private Circulation Only*

c) Equity Share Capital History of the Company, for the last three years:

Date of Allotment	No of Equity Shares	Face Value (INR)	Issue Price (INR)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative		Equity share Premium
						No of equity shares	Equity Share Capital (INR)	
15.03.2023	1,15,84,586	10	80	Cash	Rights Issue	59,08,13,886	590,81,38,860	81,09,21,020
28.07.2022	1,37,91,175	10	76	Cash	Rights Issue	57,92,29,300	579,22,93,000	91,02,17,550
13.05.2022	2,69,25,625	10	75	Cash	Rights Issue	56,54,38,125	565,43,81,250	175,01,65,625
16.02.2022	5,62,62,500	10	71	Cash	Rights Issue	53,85,12,500	538,51,25,000	343,20,12,500
11.09.2020	15,00,000	10	10	Refer Note below	Refer Note below	48,22,50,000	482,25,00,000	0
28.02.2018	6,25,00,000	10	20	Cash	Rights Issue	48,07,50,000	480,75,00,000	625,000,000
27.06.2016	5,00,00,000	10	20	Cash	Rights Issue	41,82,50,000	418,25,00,000	500,000,000
17.11.2015	5,00,00,000	10	20	Cash	Rights Issue	36,82,50,000	368,25,00,000	500,000,000
01.01.2015	6,25,00,000	10	16	Cash	Rights Issue	31,82,50,000	318,25,00,000	375,000,000
27.05.2013	25,00,00,000	10	10	Cash	Preferential Allotment	25,57,50,000	255,75,00,000	0
08.02.2013	20,00,000	10	200	Cash	Conversion of Preference Shares into Equity Shares	57,50,000	5,75,00,000	38,00,00,000

*Notes: (1) Allotment of 15,00,000 Equity Shares of Rs. 10 each at par aggregating to 1,50,00,000 to the shareholders of the Axis Private Equity Limited pursuant to the order dated 27th February 2020 passed by the Hon'ble National Company Law Tribunal, Mumbai bench approving the Scheme of Amalgamation between the Company (as Transferee Company) and Axis Private Equity Limited (as Transferor Company); (2) the equity shares issued and allotted as aforesaid shall rank pari-passu in all respects (including dividend) with the existing equity shares in the Company.*



d) Details of any Acquisition of or Amalgamation with any entity in the last 1 year: None

e) Details of any Reorganization or Reconstruction in the last 1 year:

Type of Event	Date of Announcement	Date of Completion	Details
Nil	Nil	Nil	Nil

f) Details of the shareholding of the Company as at the latest quarter end  
i.e. September 30, 2023, as per the format specified under the listing regulations:-

Sr. No	Particulars	Total no of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1.	Axis Bank Limited	59,08,13,886*	59,08,13,886*	100%

Notes – (1) \*Includes 65 shares held by the nominees of Axis Bank Limited.

(2) None of the Shares are pledged or encumbered by the promoters.

**Pre-issue and post-issue shareholding pattern of the Company:**

As on the date of the Disclosure Document

Sr. No.	Category	Pre-Issue		Post Issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding				
1	Indian				
	Individual	65*	Negligible	65*	Negligible
	Bodies Corporate	59,08,13,821	100.00	59,08,13,821	100
	Sub-total	59,08,13,886	100.00	59,08,13,886	100
2	Foreign promoters				
	Sub-total (A)	59,08,13,886	100.00	59,08,13,886	100
B	Non-promoters' holding				
1	Institutional investors				
2	Non-institutional Investors				
	Private Corporate Bodies				
	Directors and relatives				
	Indian Public				
	Others (Including Non-resident Indians (NRIs))				
	Sub-total(B)				
<b>Grant Total</b>		<b>59,08,13,886</b>	<b>100.00</b>	<b>59,08,13,886</b>	<b>100.00</b>

\* In respect of the 65 (sixty-five) equity shares of Rs. 10/- face value fully paid up which have been registered in the names of the 7 (Seven) individual nominees, the beneficial interest in these equity shares are held by M/s Axis Bank Limited, pursuant to section 89 of the Companies Act, 2013 and rule 9 of the Companies (Management and Administration) Rules, 2014.

g) List of top 10 holders of equity shares of the Company as at the latest quarter end  
i.e. September 30, 2023:

Sr. No	Name of the shareholders	Total Number of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1.	Axis Bank Limited	59,08,13,886*	59,08,13,886	100%

Notes – (1) \*Includes 65 shares held by the nominees of Axis Bank Limited.

(2) None of the Shares are pledged or encumbered by the promoters.



(vi) Following are the details regarding the Directors of the Company:

a. Details of the current Directors of the Company as on date of Information Memorandum:

Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship(s)
Mr. Amitabh Chaudhry,  <b>Designation:</b> Director  <b>DIN:</b> 00531120	57 Years	Flat No. 4301, 43 <sup>rd</sup> Floor, Planet Godrej, Tower 3 Keshav Rao Khadye Marg, Near Jacob Circle, Mahalaxmi, Mumbai - 400011	January 17, 2019	- Axis Bank Limited; - Axis Capital Limited; - Axis Asset Management Company Limited
Mr. Bipin Saraf  <b>Designation:</b> MD & CEO  <b>DIN:</b> 06416744	50 Years	Flat No. 42, 4 <sup>th</sup> Floor, Meherdad Building, 64 Cuffe Parade, Mumbai - 400 005	October 20, 2012	Nil
Mr. Deepak Maheshwari  <b>Designation:</b> Director  <b>DIN:</b> 08163253	66 Years	A 5602, Omkar 1973, Pandurang Budhkar Marg, Worli, Mumbai - 400030	June 26, 2019	GR Highways Investment Manager Private Limited
Mr. Biju Radhakrishnan Pillai  <b>Designation:</b> Whole-Time Director  <b>DIN:</b> 08604963	54 Years	1901 – Odyssey1, Orchard Avenue Road, Hiranandani Gardens, Powai, Mumbai - 400 076	November 07, 2019	Nil
Mr. Babu Rao Busi  <b>Designation:</b> Independent Director  <b>DIN:</b> 00425793	62 Years	16 / 63, MHB Colony Reclamation, Bandra West, Mumbai - 400050	April 16, 2021	- UTI Infrastructure Technology & Services Limited; - Axis Securities Limited; - Genbanext Technologies Private Limited
Mr. U B Pravin Rao  <b>Designation:</b> Independent Director  <b>DIN:</b> 06782450	60 Years	1701, 14 <sup>th</sup> Main, 30 <sup>th</sup> Cross, BSK 2nd Stage, Bangalore - 560070	April 14, 2022	- Indegene Private Limited - Zensar Technologies Limited



Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship(s)
Mr. K Narasimha Murthy  <b>Designation:</b> Independent Director  <b>DIN:</b> 00023046	64 years	"Srimata" 1-2-593/129, Gaganmahal Colony, Domalguda, Hyderabad - 500 029	January 12, 2023	- Max Life Pension Fund Management Limited - Shivallk Small Finance Bank Limited - Max Financial Services Limited - National Stock Exchange of India Limited - Nelco Limited - Max Life Insurance Company Limited - Max Healthcare Institute Limited - Srikari Management Consultants Pvt Ltd - Narasimha Murthy & Co., Cost Accountants - Raymond Limited
Mrs. Pallavi Kanchan  <b>Designation:</b> Independent Woman Director  <b>DIN:</b> 07545615	53 years	Apt B, 2102, Lodha Bellissimo, NM Joshi Marg, Mahalaxmi, Mumbai – 40001	January 12, 2023	- Karta Initiative India Foundation - Partner at Col Capital

**Note:** None of the current directors of the Company is / are appearing in the RBI defaulter list and/or ECGC default list.

b. Details of change in directors since last three years: as on September 30, 2023

Name of Director	Date of Appointment / Cessation	Director of the Company since (in case of cessation)	Remarks
<b>2020–21</b>			
Mr. Pralay Mondal  <b>DIN:</b> 00117994	September 14, 2020	April 18, 2019	Ceased to be a Director
<b>2021–22</b>			
Mr. Babu Rao Busi  <b>DIN:</b> 00425793	April 16, 2021	NA	Appointed as an Independent Director



Name of Director	Date of Appointment / Cessation	Director of the Company since (in case of cessation)	Remarks
Mr. K.N. Prithviraj <b>DIN:</b> 00115317	July 28, 2021	July 29, 2016	Ceased to be a Director
<b>2022–23</b>			
Mr. U B Pravin Rao <b>DIN:</b> 06782450	April 14, 2022	NA	Appointed as an Independent Director
Mr. V R Kaundinya <b>DIN:</b> 00043067	February 25, 2023	February 26, 2015	Ceased to be a Director
Mrs. Madhu Dubhashi <b>DIN:</b> 00036846	February 25, 2023	February 26, 2015	Ceased to be a Director
Mr. K Narasimha Murthy <b>DIN:</b> 00023046	January 12, 2023	-	Appointed as an Independent Director
Mrs. Pallavi Kanchan <b>DIN:</b> 07545615	January 12, 2023	-	Appointed as an Independent (Woman) Director

(vii) Following details regarding the auditors of the Issuer:

a. Details of the auditor of the Issuer:

Name of the Auditor	Address	Auditor since
M/s Singhi & Co., Chartered Accountants	B2 402 B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400013.	12 <sup>th</sup> November 2021
M/s B.K. Khare & Co., Chartered Accountants	706/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020	6 <sup>th</sup> June 2022

b. Details of change in auditor for last three years:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
S.R.Batliboi & Co. LLP	14th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (west), Mumbai - 400028	July 10, 2018	October 29, 2021	Resigned due to RBI guidelines
M/s Singhi & Co., Chartered Accountants	B2 402B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	November 12, 2021	-	-



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<b>Name</b>	<b>Address</b>	<b>Date of Appointment / Resignation</b>	<b>Auditor of the Company since (in case of resignation)</b>	<b>Remarks</b>
M/s B.K. Khare & Co., Chartered Accountants	706/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020	June 6 , 2022	-	Appointed pursuant to RBI guidelines

(viii) Details of the following liabilities of the issuer, as at the end of the last quarter  
i.e. September 30, 2023:

a) Details of Outstanding Secured Loan Facilities:



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Details of borrowings of the Company, as on the latest quarter end i.e. September 30, 2023:

*(in lakhs)*

<b>Lender's Name</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>Principal Amount outstanding (total amount outstanding including interest)</b>	<b>Repayment Date / Schedule</b>	<b>Security</b>	<b>Account classification</b>	<b>Credit Rating</b>
State Bank of India	Bank Lines / Term Loan	4,23,437	2,14,345	Quarterly	Secured on receivables by 1.1x.	Standard	India Rating AAA
HDFC Bank	Bank Lines / Term Loan	4,13,456	1,36,786	Quarterly	Secured on receivables by 1.1x.	Standard	India Rating AAA
Axis Bank	Bank Lines / Term Loan	2,72,500	35,957	Quarterly	Secured on receivables by 1.1x.	Standard	India Rating AAA
HSBC	Working Capital / Term Loan	2,25,000	2,12,549	On Demand / Yearly	Secured on receivables by 1.1x.	Standard	India Rating AAA
ICICI	OTSTL / STL	2,50,000	70,350	On Demand / Quarterly	Secured on receivables by 1.1x.	Standard	India Rating AAA
Federal Bank	Bank Lines / Term Loan	75,000	56,562	Half-yearly	Secured on receivables by 1.1x.	Standard	India Rating AAA
Bank of Baroda	Bank Lines / Term Loan	1,72,223	75,017	On Demand / Quarterly	Secured on receivables by 1.1x	Standard	India Rating AAA
Punjab & Sindh Bank	Term Loan	45,000	44,980	Quarterly	Secured on receivables by 1.1x	Standard	India Rating AAA
Mizuho Bank	TL / STL	50,000	50,000	On Maturity	Secured on receivables by 1.1x	Standard	India Rating AAA
Canara Bank	TL			Quarterly	Secured on	Standard	India



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		75,000	50,223		receivables by 1.1x		Rating AAA
Union Bank of India	Term Loan	50,000	47,224	Quarterly	Secured on receivables by 1.1x	Standard	India Rating AAA
IDBI Bank	Term Loan	50,000	50,000	Quarterly	Secured on receivables by 1.1x	Standard	India Rating AAA
Indian Bank	Term Loan	50,000	50,000	Quarterly	Secured on receivables by 1.1x	Standard	CARE Rating AAA
SIDBI Bank	Term Loan	1,58,500	1,28,557	Quarterly	Secured on receivables by 1.1x	Standard	CARE Rating AAA
Bank of India	Term Loan	50,000	10,002	Quarterly	Secured on receivables by 1.1x	Standard	CARE Rating AAA
Punjab National Bank (PNB)	Term Loan	50,000	10,002	Quarterly	Secured on receivables by 1.1x	Standard	CARE Rating AAA



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b) Details of Outstanding Unsecured Loan Facilities – as on September 30, 2023:

(in crores)

<b>Lender's Name</b>	<b>Type of Facility</b>	<b>Amount Sanctioned</b>	<b>(Principal + Interest) Outstanding</b>	<b>Repayment Date /Schedule</b>
Nil				

c) Details of Outstanding Non-Convertible Securities – as on September 30, 2023

<b>Series of NCS</b>	<b>Tenor/ Period of Maturity</b>	<b>Co upo n</b>	<b>Amount</b>	<b>Face Value</b>	<b>Date of Allotment</b>	<b>Redemption Date/ Schedule</b>	<b>Credit Rating</b>	<b>Secured / unsecured</b>	<b>Security</b>
02/2016-17	3652 Days	8.8 0%	2,00,00, 00,000. 00	2,00,00, 00,000. 00	05-Aug- 16	05-Aug-26	CRISIL AAA & IND AAA	Unsecured	
02/2017-18	3652 Days	8.5 0%	1,00,00, 00,000. 00	1,00,00, 00,000. 00	11-May- 17	11-May-27	CRISIL AAA & IND AAA	Unsecured	
02/2017-18	3652 Days	8.5 0%	50,00,0 0,000.0 0	50,00,0 0,000.0 0	11-May- 17	11-May-27	CRISIL AAA & IND AAA	Unsecured	
02/2017-18	3652 Days	8.5 0%	50,00,0 0,000.0 0	50,00,0 0,000.0 0	11-May- 17	11-May-27	CRISIL AAA & IND AAA	Unsecured	
03/2017-18	3652 Days	8.0 8%	50,00,0 0,000.0 0	50,00,0 0,000.0 0	14-Sep- 17	14-Sep-27	CRISIL AAA & IND AAA	Unsecured	
03/2017-18	3652 Days	8.0 8%	25,00,0 0,000.0 0	25,00,0 0,000.0 0	14-Sep- 17	14-Sep-27	CRISIL AAA & IND AAA	Unsecured	
03/2017-18	3652 Days	8.0 8%	25,00,0 0,000.0 0	25,00,0 0,000.0 0	14-Sep- 17	14-Sep-27	CRISIL AAA & IND AAA	Unsecured	



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			0	0					
02/2019-20 (Option B)	1827 Days	8.3 0%	5,00,00, 000.00	5,00,00, 000.00	06-Aug- 19	06-Aug-24	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
05/2020-21	1461 Days	6.5 0%	3,00,00, 00,000. 00	3,00,00, 00,000. 00	16-Sep- 20	16-Sep-24	CRISIL AAA	Secured	Pari-Passu charge on Receivables
07/2020-21	1095 Days	5.2 5%	60,00,0 0,000.0 0	60,00,0 0,000.0 0	14-Dec- 20	14-Dec-23	CRISIL AAA	Secured	Pari-Passu charge on Receivables
1-SD/2020-21	3651 Days	7.4 5%	70,00,0 0,000.0 0	70,00,0 0,000.0 0	15-Feb- 21	14-Feb-31	CRISIL AAA & IND AAA	Unsecure d	
02 FRB /2021-22	1096 Days	5.5 0%	5,00,00, 00,000. 00	5,00,00, 00,000. 00	24-May- 21	24-May-24	CRISIL AAA	Secured	Pari-Passu charge on Receivables
03/2021-22	3652 Days	7.4 0%	1,00,00, 00,000. 00	1,00,00, 00,000. 00	10-Jun- 21	10-Jun-31	CRISIL AAA & IND AAA	Unsecure d	
04/2021-22	1096 Days	5.7 2%	1,50,00, 00,000. 00	1,50,00, 00,000. 00	21-Jun- 21	21-Jun-24	CRISIL AAA	Secured	Pari-Passu charge on Receivables
05/2021-22	3650 Days	7.2 7%	1,24,00, 00,000. 00	1,24,00, 00,000. 00	28-Jun- 21	26-Jun-31	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
06 / 2021-22	Perpetual	7.9 0%	1,50,00, 00,000. 00	1,50,00, 00,000. 00	25-Aug- 21	Perpetual	CRISIL AAA & BRW AAA	Unsecure d	
07 / 2021-22 Option A	1096 Days	5.7 5%	90,00,0 0,000.0 0	90,00,0 0,000.0 0	09-Sep- 21	09-Sep-24	IND AAA	Secured	Pari-Passu charge on Receivables



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07 / 2021-22 Option B	1096 Days	5.7 5%	1,70,00, 00,000. 00	1,70,00, 00,000. 00	09-Sep- 21	09-Sep-24	IND AAA	Secured	Pari-Passu charge on Receivables
08 / 2021-22	1826 Days	6.5 5%	1,70,00, 00,000. 00	1,70,00, 00,000. 00	22-Sep- 21	22-Sep-26	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
09 / 2021-22	1461 Days	6.1 0%	1,25,00, 00,000. 00	1,25,00, 00,000. 00	29-Sep- 21	29-Sep-25	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
10 / 2021-22	1826 Days	6.8 0%	4,00,00, 00,000. 00	4,00,00, 00,000. 00	18-Nov- 21	18-Nov-26	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
11 / 2021-22	1095 Days	5.9 5%	1,00,00, 00,000. 00	1,00,00, 00,000. 00	30-Nov- 21	29-Nov-24	CRISIL AAA	Secured	Pari-Passu charge on Receivables
12 / 2021-22	3651 Days	7.4 2%	75,00,0 0,000.0 0	75,00,0 0,000.0 0	06-Dec- 21	05-Dec-31	CRISIL AAA & IND AAA	Unsecure d	
13 / 2021-22	1096 Days	6.0 5%	5,00,00, 00,000. 00	5,00,00, 00,000. 00	17-Dec- 21	17-Dec-24	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
14 / 2021-22	Perpetual	7.7 6%	50,00,0 0,000.0 0	50,00,0 0,000.0 0	31-Dec- 21	Perpetual	CRISIL AAA & BRW AAA	Unsecure d	
15/2021-22	1096 Days	6.3 0%	3,50,00, 00,000. 00	3,50,00, 00,000. 00	25-Feb- 22	25-Feb-25	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
16/2021-22	1461 Days	6.8 0%	2,50,00, 00,000. 00	2,50,00, 00,000. 00	30-Mar- 22	30-Mar-26	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
01/2022-23	1096 Days	6.7	2,00,00,	2,00,00,	06-May-	06-May-25	CRISIL AAA	Secured	Pari-Passu



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		5%	00,000.00	00,000.00	22				charge on Receivables
02/2022-23	1095 Days	7.35%	30,00,00,000.00	30,00,00,000.00	14-Jun-22	13-Jun-25	'IND PP-MLD' AAA	Secured	Pari-Passu charge on Receivables
03/2022-23	1094 Days	7.70%	2,50,00,00,000.00	2,50,00,00,000.00	13-Jul-22	11-Jul-25	IND AAA	Secured	Pari-Passu charge on Receivables
04/2022-23	1156 Days	7.51%	3,00,00,00,000.00	3,00,00,00,000.00	25-Aug-22	24-Oct-25	CRISIL AAA	Secured	Pari-Passu charge on Receivables
05/2022-23	Perpetual	8.34%	1,00,00,00,000.00	1,00,00,00,000.00	30-Aug-22	Perpetual	CRISIL AAA & BRW AAA	Unsecured	
06/2022-23	1826 Days	7.70%	1,00,00,00,000.00	1,00,00,00,000.00	08-Sep-22	08-Sep-27	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
07/2022-23	3651 Days	8.07%	1,00,00,00,000.00	1,00,00,00,000.00	26-Sep-22	24-Sep-32	CRISIL AAA & IND AAA	Unsecured	
AFL-08/2022-23-Reissue of AFL 6.80% 30 March 2022 SR.16/2021-22	1229 Days	6.80%	1,94,80,18,226.21	2,00,00,00,000.00	17-Nov-22	30-Mar-26	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables
09/2022-23	3651 Days	8.06%	2,00,00,00,000.00	2,00,00,00,000.00	28-Nov-22	26-Nov-32	CRISIL AAA & IND AAA	Unsecured	
10/2022-23	Perpetual	8.15%	1,25,00,00,000.00	1,25,00,00,000.00	26-Dec-22	Perpetual	CRISIL AAA & CARE AAA	Unsecured	
11/2022-23	1826 Days	8.07%	2,63,00,00,000.00	2,63,00,00,000.00	23-Feb-23	23-Feb-28	IND AAA & CARE AAA	Secured	Pari-Passu charge on



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			00	00					Receivables
12/2022-23	1157 Days	8.3 5%	3,85,00, 00,000. 00	3,85,00, 00,000. 00	20-Mar- 23	20-May-26	IND AAA & CARE AAA	Secured	Pari-Passu charge on Receivables
01/2023-24	1188 Days	7.9 9%	3,00,00, 00,000. 00	3,00,00, 00,000. 00	03-May- 23	03-Aug-26	IND AAA & CARE AAA	Secured	Pari-Passu charge on Receivables
02/2023-24	1827 Days	7.9 5%	5,00,00, 00,000. 00	5,00,00, 00,000. 00	26-May- 23	26-May-28	CRISIL AAA & CARE AAA	Secured	Pari-Passu charge on Receivables
03/2023-24	1096 Days	7.9 5%	3,50,00, 00,000. 00	3,50,00, 00,000. 00	30-Jun- 23	30-Jun-26	CRISIL AAA & CARE AAA	Secured	Pari-Passu charge on Receivables
04/2023-24	1185 Days	8.0 0%	1,50,00, 00,000. 00	1,50,00, 00,000. 00	13-Sep- 23	11-Dec-26	IND AAA & CARE AAA	Secured	Pari-Passu charge on Receivables
05/2023-24	1034 Days	8.0 0%	3,75,00, 00,000. 00	3,75,00, 00,000. 00	22-Sep- 23	22-Jul-26	CRISIL AAA & IND AAA	Secured	Pari-Passu charge on Receivables

d) List of top 10 holders of non-convertible securities in terms of value (in cumulative basis) as on September 30, 2023:

Sr No.	Name of holders of Non-convertible Securities	Amount (Rs. in Cr)	% of total NCD outstanding
1	HDFC BANK LIMITED	1,525.00	18.67%
2	STATE BANK OF INDIA	1,250.00	15.31%
3	BANK OF BARODA	748.00	9.16%
4	SERUM INSTITUTE LIFE SCIENCES PRIVATE LIMITED	450.00	5.51%
5	UTI MF	250.00	3.06%
6	SERUM INSTITUTE OF INDIA PVT LTD	225.00	2.75%
7	AXIS BANK LIMITED	200.40	2.45%



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8	STAR HEALTH AND ALLIED INSURANCE CO. LTD.	175.00	2.14%
9	SBI DFHI LIMITED	150.00	1.84%
10	ZOMATO LIMITED	140.00	1.71%

e) Details of outstanding Commercial Paper as at the end of the last quarter September 30, 2023:

Deal No	Deal Date	ISIN	Tenor	Yield	Face Value	Value Date	Maturity Date	Secured/Unsecured	Rating
1	23-Dec-22	INE891K14LV9	361	7.85%	1,00,00,00,000.00	26-Dec-22	22-Dec-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
2	08-Feb-23	INE891K14LX5	364	7.88%	1,00,00,00,000.00	09-Feb-23	08-Feb-24	Unsecured	CRISIL (A1+) & India Ratings (A1+)
3	13-Mar-23	INE891K14MA1	365	8.16%	3,00,00,00,000.00	13-Mar-23	12-Mar-24	Unsecured	CRISIL (A1+) & India Ratings (A1+)
4	21-Mar-23	INE891K14MB9	344	8.00%	1,25,00,00,000.00	21-Mar-23	28-Feb-24	Unsecured	CRISIL (A1+) & India Ratings (A1+)
5	31-Mar-23	INE891K14MB9	334	7.90%	1,00,00,00,000.00	31-Mar-23	28-Feb-24	Unsecured	CRISIL (A1+) & India Ratings (A1+)
6	14-Jun-23	INE891K14MH6	180	7.51%	75,00,00,000.00	15-Jun-23	12-Dec-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
7	14-Jun-23	INE891K14MH6	179	7.51%	1,00,00,00,000.00	16-Jun-23	12-Dec-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
8	17-Jul-23	INE891K14MJ2	87	7.13%	2,00,00,00,000.00	18-Jul-23	13-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
9	17-Jul-23	INE891K14MJ2	88	7.13%	1,50,00,00,000.00	17-Jul-23	13-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
10	02-Aug-23	INE891K14MK0	89	7.18%	50,00,00,000.00	03-Aug-23	31-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
11	02-Aug-23	INE891K14MK0	89	7.18%	25,00,00,000.00	03-Aug-23	31-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
12	02-Aug-23	INE891K14MK0	88	7.18%	25,00,00,000.00	04-Aug-23	31-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
13	03-Aug-23	INE891K14MK0	88	7.18%	25,00,00,000.00	04-Aug-23	31-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
14	07-Aug-23	INE891K14MK0	85	7.18%	15,00,00,000.00	07-Aug-23	31-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
15	07-Aug-23	INE891K14MK0	85	7.18%	10,00,00,000.00	07-Aug-23	31-Oct-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)



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	23					23			
16	14-Aug-23	INE891K14ML8	154	7.46%	1,00,00,00,000.00	17-Aug-23	18-Jan-24	Unsecured	CRISIL (A1+) & India Ratings (A1+)
17	22-Aug-23	INE891K14MM6	91	7.34%	2,50,00,00,000.00	23-Aug-23	22-Nov-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
18	22-Aug-23	INE891K14MM6	91	7.34%	25,00,00,000.00	23-Aug-23	22-Nov-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
19	24-Aug-23	INE891K14MM6	90	7.34%	1,50,00,00,000.00	24-Aug-23	22-Nov-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
20	28-Aug-23	INE891K14MN4	91	7.32%	25,00,00,000.00	29-Aug-23	28-Nov-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
21	28-Aug-23	INE891K14MN4	91	7.32%	1,00,00,00,000.00	29-Aug-23	28-Nov-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)
22	18-Sep-23	INE891K14MO2	91	7.35%	2,00,00,00,000.00	18-Sep-23	18-Dec-23	Unsecured	CRISIL (A1+) & India Ratings (A1+)



f) Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares): Nil

(i) Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

- (A) in whole or part: Nil
- (B) at a premium or discount: Nil
- (C) in pursuance of an option or not: Nil

(ii) Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials: **Annexure J**

(iii) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year:

As of 31<sup>st</sup> March 2023, there was no default /s and/or delay in payments of interest and principal of any kind of term loans, debt securities.

(iv) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities:

There is no material event / development or change at the time of issuance of this document which may affect the Issue or the Investors' decision to invest / continue to invest in the debt securities. Please also refer to the Risk Factors.

(v) Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company:

Our parent is Axis Bank Limited which is a banking entity. As on date, considering the size of operations of Axis Bank Limited, there are no tax litigations resulting in material liabilities. Further there are no cases either individually or in the aggregate, that would have a material adverse effect on the financial condition, results of operations or cash flows of Axis Bank Limited.

(vi) Details of default and non-payment of statutory dues:

- (A) statutory dues: Nil
- (B) debentures and interest thereon: Nil
- (C) deposits and interest thereon: Nil
- (D) loan from any bank or financial institution and interest thereon: Nil
- (E) Default in annual filing of the company under companies Act: Nil

(vii) The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee:



The Company has appointed Catalyst Trusteeship Limited as the Debenture Trustee to the Issue. Catalyst Trusteeship Limited has given consent to act as the Debenture Trustee on behalf of the Debenture holders. A copy of the consent letter is enclosed as **Annexure E**.

(viii) If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document:

N.A. There is no guarantee / letter of comfort stipulated as security.

(ix) Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention: **Annexure F**

(x) Disclosures pertaining to wilful defaulter:

a. The following disclosures shall be made if the Issuer or its promoter or director is declared wilful defaulter:

- i. Name of the bank declaring as a wilful defaulter: Nil
- ii. The year in which it was declared as a wilful defaulter: Nil
- iii. Outstanding amount when declared as a wilful defaulter: Nil
- iv. Name of the entity declared as a wilful defaulter: Nil
- v. Steps taken, if any, for the removal from the list of wilful defaulters: Nil
- vi. Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions: Nil
- vii. Any other disclosure as specified by the Board: Nil

b. The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages: None

**(xi) Risk factors:**

The Issuer believes that the following factors may affect its ability to fulfil its obligations in relation to the Debentures. These risks may include, among others, business aspects, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective investors should carefully consider all the information in this Document, including the risks and uncertainties described below, before making an investment in the Debentures. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

**MANAGEMENT'S PERCEPTION OF RISK FACTORS**

Every business carries inherent risks and uncertainties that can affect financial conditions, results of operations and prospects. Investors should carefully consider all the information in this Offer Letter, including the risks and uncertainties described below, as well as the financial statements contained in this Offer Letter, before making an investment in the Debentures. The Company believes that the following risk factors may affect its ability to fulfil its obligations under the Debentures issued under the Debenture Documents. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been



disclosed in such risk factors. You should not invest in the Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your own tax, financial and legal advisors about the particular consequences of an investment in the Debentures. Unless otherwise stated, our financial information used in this section is derived from our audited unconsolidated financial information, prepared in accordance with accounting standards generally accepted in India.

### **Risks relating to the Issue:**

The following are some of the risks envisaged by the Company's management. Investors should consider the same carefully for evaluating the Issuer and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the risks occur, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Issuer's securities could decline.

The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures issued under this Offer Letter, but the inability of the Issuer, as the case may be, to pay necessary amounts, on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive. Investors should also read the detailed information set out elsewhere in this Offer Letter and reach their own views prior to making any investment decision.

### **Risks relating to the Company**

#### **1. Interest Rate Risk**

The Company's business is largely dependent on interest income from its operations. The Company is exposed to interest rate risk principally as a result of lending to customers at interest rates and in amounts and for periods, which may differ from its funding sources (institutional / bank borrowings and debt offerings). The Company seeks to match its interest rate positions to minimize interest rate risk. Despite these efforts, there can be no assurance that significant interest rate movements will not have an effect on its results of operations. Interest rates are highly sensitive to many factors beyond its control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors interest rates in India have historically experienced a relatively high degree of volatility. Nevertheless, the endeavor of the Company will be to keep the interest rate risk at minimum levels by proactively synchronizing resource securing and lending activities on an ongoing basis.

#### **2. Access to Capital Markets and Commercial Borrowings**

The Company's growth will depend on its continued ability to access funds at competitive rates. With the growth of its business, the Company is increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and its ability to obtain funds at competitive rates will depend on various factors, including its ability to maintain its credit ratings. While its borrowing costs have been competitive in the past due to its credit rating and the quality of its asset portfolio, if the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans. This may adversely impact its business and its future financial performance. The value of its collateral may decrease or the Company may experience delays in enforcing its collateral when its customers default on their obligations, which may result in failure to recover the expected value of collateral and adversely affect its financial performance.

The developments in the international markets affect the Indian economy including the financial liquidity position. Our Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at



competitive rates. Being an NBFC, we also face certain restrictions to raise money from international markets which are relatively cheaper sources of money and this further constrains our ability to raise cheaper funds.

3. Failure to recover the expected value of collateral when borrowers default on their obligations to Company may adversely affect its financial performance.

The Company cannot guarantee that it will be able to realize the full value of its collateral, due to, among other things, defects in the perfection of collateral, delays on its part in taking immediate action in bankruptcy foreclosure proceedings, stock market downturns, claims of other lenders, legal or judicial restraint and fraudulent transfers by borrowers. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, to put in place an institutional mechanism for the timely and transparent restructuring of corporate debt, the RBI has devised a corporate debt restructuring system. Any failure to recover the expected value of collateral security could expose the Company to a potential loss. Apart from the RBI guidelines, the Company may be a part of a syndicate of lenders, the majority of whom elect to pursue a different course of action than the Company would have chosen. Any such unexpected loss could adversely affect business, prospects, results of operations and financial condition.

4. Asset–Liability mismatches in the short term, which could affect company’s liquidity position.

The difference between the value of assets and liabilities maturing in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several NBFCs, a portion of our funding requirements is met through short-term funding sources, i.e. working capital demand loans, cash credit, short term loans and commercial papers. However, some portion of our assets has medium or long-term maturities. As the Company grows its business, the proportion of medium and long-term assets in the portfolio is expected to grow. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

5. Our inability to control the number and value of NPAs in our portfolio could adversely affect our business and results of operations

The Company’s inability to control or reduce the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may severely impact its business. While the Company’s total provisioning against the NPAs at present may be adequate to cover all the identified losses in our loan portfolio, there may not be any assurance that in future the provisioning, though compliant with regulatory requirements, will be sufficient to cover all anticipated losses. Further, the Company may not be able to meet its recovery targets set for the particular financial year due to the intense competition witnessed at both global and domestic levels. In such circumstances, there could be an increase in the number and value of NPAs which can impact the Company.

6. System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.



Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

7. Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations.

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Under the terms of some of the credit lines, the Company is required to obtain the prior written consent of the concerned lender prior to the Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or a substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in the Company's MoA and Articles. This may restrict/ delay some of the actions / initiatives that our Company may like to take from time to time.

8. We may not get the benefits of being Axis Group Company in case of any change of control

In case of any change of control due to any event such as transfer of shares by our Promoter, preferential allotment to any investor, our ability to leverage the "AXIS" brand may get affected and the benefits of being an AXIS company including leveraging of business from other AXIS companies may not be available to us and consequently, could adversely impact our business operations and profitability.

9. We are exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders.

Like other financial intermediaries, we are also exposed to various operational risks which include the risk of fraud or misconduct by our employees or even an outsider, unauthorized transactions by employees or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions we take to detect and prevent these activities may not be effective in all cases. Any such instances of employee misconduct or fraud, the improper use or disclosure of confidential information, could result in regulatory and legal proceedings and may harm our reputation and also our operations.

10. We may not be able to attract or retain talented professionals required for our business.

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

11. The Company faces increasing competition from established banks and NBFCs. The successful implementation of our growth plans depends on our ability to face the competition.

The Company's main competitors are established commercial banks and NBFCs. Over the past few years, the financing area has seen the entry of banks, both nationalized as well as foreign. Banks have



access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. The Company also faces increased competition from new NBFCs foraying into this space and some of which have been quite aggressive in their pricing to garner market share.

12. We may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.

Our business of lending with or without securities exposes us to the risk of third parties that owe us money. Our loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrower's / borrower groups in the future could adversely affect our business and our financial performance.

### **Risks Relating to the Utilization of Issue Proceeds**

13. Our management will have significant flexibility in applying proceeds of the Issue.

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various activities, including but not restricted to, lending and investments, to repay our existing loans, our business operations including capital expenditure and working capital requirements. The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, CBLO (TREPS) deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board.

Further as per the provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

### **Risks Relating to the Debentures**

14. There may be no active market for the Debentures on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the Debentures may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the Debentures will develop. If an active market for the Debentures fails to develop or be sustained, the liquidity and market prices of the Debentures may be adversely affected. The market price of the Debentures would depend on various factors, *inter alia*, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the Debentures, which may trade at a discount to the price at which you purchase the Debentures and/or be relatively illiquid.



15. Payments to be made on the Debentures will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Debentures.

The Debentures are unsecured and are subordinated to the claims of all other senior or secured creditors. The Debentures are senior only to share capital and any other securities at par with share capital of the Company.

The Debentures will be subordinated to certain liabilities preferred by law such as the claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, the assets of Borrower will be available to pay obligations on the Debentures only after all of those liabilities that rank senior to these Debentures have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Debentures.

16. There is no assurance that the Debentures issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with applicable law and practice, permissions for listing and trading of the Debentures issued pursuant to this Issue will not be granted until after the Debentures have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the Debentures on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the Debentures is not granted by the stock exchanges, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Offer Document. Though there is / are no instances of refusal of listing of Debentures of the Company during last three years by BSE/NSE there is no assurance that the Debentures issued pursuant to this Issue will be listed on stock exchanges in a timely manner, or at all.

17. The Debenture Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Debentures.

Our ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Debentures and/or the interest accrued thereon in a timely manner or at all.

18. Changes in general interest rates in the economy may affect the price of our Debentures.

All securities where a fixed rate of interest is offered, such as our Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and /or a growing economy, are likely to have a negative effect on the price of our Debentures.

19. We are not required to maintain any Debenture Redemption Reserve (DRR) for the Debentures issued under this Offer Letter.

No Debenture Redemption Reserve is being created for the issue of Debentures in pursuance of this document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures by the Issuer as per Rule 18(7) of the Companies (Share Capital & Debentures) Rules 2014,



as they are privately placed debentures issued by a Non-Banking Financial Company.

20. Any downgrading in credit rating of our Debentures may affect the value of Debentures and thus our ability to raise further debts.

The Debentures are rated 'CRISIL AAA/Stable' issued by CRISIL Ratings Limited and 'IND AAA/Stable' by India Ratings and Research Private Limited. The Company cannot guarantee that the rating will not be downgraded. Such a downgrade in the above credit rating may lower the value of the Debentures and may also affect the Issuer's ability to raise further debt.

### **External Risk Factors**

21. Our business may be adversely impacted by COVID 19.

Since the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak are unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.

22. Our business may be adversely impacted by natural calamities or unfavorable climatic changes.

An earthquake or other natural calamities / disaster could disrupt operations or impair critical systems. Any of these disruptions or other events outside of our control could affect our business negatively, harming our operating results and consequently the price of our Debentures.

23. We are subject to regulatory and legal risk which may adversely affect our business.

The operations of an NBFC are subject to regulations framed by the RBI and other authorities including regulations relating to foreign investment in India. The Company is required to maintain a CRAR of 15%, besides complying with other prudential norms.

We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance.

24. Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms, or at all.

25. Civil unrest, terrorist attacks and war could affect our business.



Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighbouring countries. Also, some of India's neighbouring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business and the price and yield of the Debentures.

## **Other Risk Factors**

26. Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad: As of date, the issuer has not been refused listing of any of its securities during the last 3 (three) years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

27. Limited or sporadic trading of non-convertible securities of the issuer on the stock exchanges- As of date, the Issuer is not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

28. In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable: - As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

29. Risks in relation to the security created in relation to the Debentures, if any- As of date, issuers has not faced any issue in creating security in relation to the debentures.

### **(xii) Undertaking by the Issuer**

i) "Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given under section 1.3.26 under the section 'General Risks'."

ii) "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

iii) "The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

### **(xiii) The Directors of the Issuer attests that:**

a) the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956



and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;

b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;

c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;

d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

(xiv) Other Details:

a) Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR)

This being a private placement of Debentures the Issuer is not required to create a DRR. However, the Issuer shall create a DRR, if required under Applicable Law, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by the central government or any government agency or corporation having authority under law in respect of creation of DRR, the Issuer shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Holders or the Debenture Trustee and shall also cause the same to be registered, where necessary.

b) Issue / instrument specific regulations

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

This Issue of Debentures is subject to the provisions of the Companies Act, the MoA and Articles, the terms of this Offer Letter, and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Debentures Documents/ Letters of Allotment/ Debenture Certificates, guidelines, notifications, regulations relating to the issue of debentures, including the applicable SEBI regulations / guidelines / circulars and the RBI directions, as amended from time to time.

c) Default in Payment

In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least 2% (two percent) per annum over the coupon rate shall be payable by the Issuer for the defaulting period.

d) Delay in Listing

In case of delay in listing of the Debt securities beyond T+3 working days from the closure of issue, the Company shall pay penal interest of at least 1% (one percent) per annum over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing).

e) Delay in allotment of securities: Please refer to Term Sheet



- f) Issue details: Please refer Term Sheet
- g) Application process
- (xv) Who can apply:

This Offer Letter and the contents hereof are restricted to only the intended recipient(s) who have been addressed directly through a communication by or on behalf of the Company, and only such recipients are eligible to apply for the Debentures.

The categories of Investors eligible to invest in the Debentures, when addressed directly, include:

- a) Qualified Institutional Buyers (QIBs), as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time,

and

- b) Any non-QIB investor including arranger(s), who are eligible to participate in the issue through an Electronic Book Mechanism of BSE/NSE (BSE BOND – EBP/ NSE BOND – EBP).

In order to subscribe to the Debentures a person must belong to one of the categories mentioned below and from whom monies borrowed even under an unsecured debenture would not constitute a deposit within the meaning of the term as defined under Rule 2(c) of the Companies (Acceptance of Deposits) Rules, 2014:

- Companies and Bodies Corporate including Public Sector Undertakings;
- Commercial Bank,
- Regional Rural Banks,
- Financial Institutions,
- Insurance Companies,
- Non-banking finance companies (NBFCs) and Residuary NBFCs
- Mutual funds
- Foreign institutional investors
- Foreign portfolio investors as permitted under the SEBI (Foreign Portfolio Investors) Regulations, 2014
- Venture Capital Funds
- National Investment Funds
- Provident Funds, Gratuity, Superannuation and Pension Funds, subject to their Investment guidelines
- Any other investor authorized to invest in these Debentures

- (xvi) How to apply?

Applications for the Debentures must be made by Investors in the Application Form and must be completed in block letters in English. Application Forms must be accompanied by either a demand draft or cheque or electronic transfer drawn or made payable at par in favour of Axis Finance Limited and should be crossed “account payee only”. The full amount of the face value of the Debentures applied for has to be paid along with the delivery of the fully completed and executed Application Form. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in each Pricing Supplement. The applications not completed in the said manner are liable to be rejected. The Application Forms duly completed accompanied by account payee cheques/drafts/application money/transfer instructions from the respective Investor’s account to the account of the Issuer, shall be submitted at the registered office. Cheques/demand drafts/electronic transfers may be drawn on any scheduled bank and payable at Mumbai. Returned cheques are not liable to be presented again for collection, and the accompanying Application Forms are liable to be rejected. In case the returned



cheques are presented again the necessary charges, if any, are liable to be debited to the Investor. The Company assumes no responsibility for any applications/cheques/demand drafts lost in mail or in transit. Investors are required to submit certified true copies of the following documents, along with the subscription form, as applicable:

- Memorandum and articles of association/constitutional documents/bye-laws/trust deed
- Government notification/ Certificate of incorporation;
- Board resolution / letter authorizing the investment along with operating instructions;
- Certified true copy of the power of attorney, wherever applicable;
- Specimen signature of the authorised signatories, duly certified by an appropriate authority
- Copy of the PAN card;
- Form 15AA granting exemption from tax deductible at source on interest;
- Form 15H for claiming exemption from tax deductible at source on interest on application money, if any;
- Order under Section 197 of the IT Act;
- Order under Section 10 of the IT Act.

The officials should sign the Application Form under their official designations.

The payment to be made for subscription of the Debentures shall be made from the bank account of the person subscribing to such Debentures and in case the Debentures are to be held/ subscribed by joint holders then the payment shall be made from the bank account of the person whose name first appears in the Application Form.

(xvii) Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority, as the case may be, along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

(xviii) Application by Mutual Funds

In case of applications made by mutual funds, only through an asset management company a separate application must be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

(xix) Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of the Company, and would not be paid any interest on the application money. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realisation of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

1. Number of Debentures applied for is less than the minimum application size;
2. Bank account details not given;
3. Details for issue of Debentures in electronic/ dematerialised form not given;
4. PAN/GIR and IT Circle/Ward/District not given;



5. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;

In the event, if any Debentures applied for is not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

h) Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any

i) Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project: Not Applicable

➤ **Setting up of Recovery Expense Fund:**

The Company has set up a Recovery Expense Fund by duly depositing a sum of INR 25,00,000/- (Rupees Twenty-Five Lakhs Only) in account number BSEALF10819 maintained with HDFC Bank Ltd, Fort Branch in favour of BSE on 1<sup>st</sup> March, 2021. The Company hereby agrees and undertakes to deposit with BSE such additional amount as may be required as per the provisions of the Act and the guidelines and circulars issued and notified by the SEBI from time to time.

The manner of funds pay-in chosen under Issue Program and details thereof:

- Fund Payin by Investor to be done on or before T+1 where T is the Issue Day.
- Pay in shall be done through Clearing Corporation of BSE/NSE, i.e., Indian Clearing Corporation Limited (“ICCL”) / NSE Clearing Limited.

**Procedure and time of schedule for Allotment**

On the Debentures being subscribed under this Issue, the Debentures would be allotted by the Board. The Company will credit the Depository Participant account of the allottee, in favour of the allottees or send a refund letter along with refund amount, in accordance with the provisions hereunder and the Debenture Documents.

**Basis of Allotment**

The Company has the sole and absolute right to Allot the Debentures to any applicant.

**Issue of Debentures**

After completion of all legal formalities the Company shall credit the depository account of the allottee within 2 (two) working days from the date of allotment.

**Designated Account**

If the Issuer is not able to allot the Debentures within 60 (sixty) days of receipt of application money, it shall repay the application money to the subscribers within 15 (fifteen) days from the date of completion of 60 (sixty) days and if the Issuer fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% (twelve per cent.) per annum from the expiry of the 60th (sixtieth) day:

Provided that monies received on application under this section shall be kept in the Account with the Designated Bank and till the allotment of Debentures shall not be utilised for any purpose other than:

- a) for adjustment against allotment of Debentures; or
- b) for the repayment of monies where the Issuer is unable to allot the Debentures.



Dispatch of Refund Orders

The Company shall ensure dispatch of refund orders, if any, by registered post.

Loss of Interest Cheques / Refund Cheques

Loss of interest cheques/refund cheques should be intimated to the Company along with request for issue of duplicate instrument. The issue of duplicate in this regard shall be governed by Applicable Law and any other conditions as may be prescribed by the Company.

Payment Mechanism:

Subscription should be as per the final allocation made to the successful bidder as notified by the Issuer. Successful bidders should do the funds pay-in to the following bank account of clearing corporation of BSE i.e. ICCL (“Designated Bank Account”):

Beneficiary Name	Indian Clearing Corporation Limited		
Name of the Bank	ICICI Bank	YES Bank	HDFC Bank
Account No.	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	ICIC0000106	ICIC0000106
Mode	NEFT / RTGS	NEFT / RTGS	NEFT / RTGS

Subscription should be as per the final allocation made to the successful bidder as notified by the Issuer. Successful bidders should do the funds pay-in to the following bank account of clearing corporation of NSE i.e. NSE Clearing Limited (“Designated Bank Account”):

Bank Name: HDFC Bank Limited IFSC Code: HDFC0000060

Current A/c No: “designated virtual account provided by NSE Clearing Limited via email by NSE-EBP.”

Beneficiary Name: NSE Clearing Ltd

Successful bidders must do the funds pay-in to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“Pay-in Time”). Successful bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the BSE BOND – EBP / NSE BOND - EBP Platform while placing the bids. In case of mismatch in the bank account details between BSE BOND – EBP / NSE BOND - EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned back. Note: In case of failure of any successful bidder to complete the funds pay-in by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will be liable to be rejected and the Issuer shall not be liable to the successful bidder. Funds pay-out would be made by BSE to the bank account of the Issuer registered on the BSE BOND–EBP / NSE BOND–EBP Platform.

Real Time Gross Settlement / National Electronic Fund Transfer/ Fund Transfer. The Issuer assumes no responsibility for any applications lost in mail.

Applications should be for the number of Debentures applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-tax Act, 1961 or where the same has not been allotted, the GIR No. As per the provision of Section 139A (5A) of the IT Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention “Applied for” nor in case the applicant is not assessed to income tax, the applicant shall mention ‘Not Applicable’ (stating reasons for non-applicability) in the appropriate box provided for the purpose.

Application forms without this information will be considered incomplete and are liable to be rejected.



All applicants are requested to tick the relevant column “Category of Investor” in the application form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring “approved security” status for making investments.

#### Computation of interest

Interest for each of the relevant Interest Periods shall be computed on the basis of actual number of days elapsed in a year of 365 (three hundred and sixty five) days. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.

Interest at the applicable Interest rate will be paid only to the beneficiaries as per the beneficiary list provided by the Depository as on the Record Date. Interest on the Debentures shall be payable on the relevant Interest Payment Date for the respective options of Debentures, and if such day is not a Business Day, then the Business Day immediately after such day provided that the Interest shall be calculated till the last day of the relevant Interest Period.

In the case of joint holders of Debentures, Interest shall be payable to the first named Debenture Holder. In the case of redemption of any of the Debentures on a day other than an Interest Payment Date, accrued Interest on the Debentures for such broken period shall be paid on a pro-rata basis.

Pursuant to the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF1/122/2016 dated November 11, 2016, if the due date in respect of redemption of the Debentures, liquidated damages, fees and all other monies payable under these presents falls on a day other than a Business Day, then such amounts as due and payable on such day, would be paid on the previous Business Day (which shall be a day when the money market is functioning in Mumbai) without any interest for the period outstanding. In case the interest payment date falls on a day other than a Business day then the interest shall be paid on the succeeding Business Day, (which shall be a day when the money market is functioning in Mumbai) however the future coupon payment dates would be as per the schedule originally stipulated in the Offer Letter.

All payments made by the Issuer to any Debenture Holder are exclusive of all taxes, other than any taxes on income which income taxes may be deducted at source as per the IT Act or any other statutory modification or re-enactment thereof, and such sums shall be credited / deposited as per the provisions of IT Act.

#### Rights of Debenture Holders

The Debentures Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under any Applicable Law including the Companies Act and the Debenture Documents. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

#### Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of majority debenture holders, or where such rights, terms, privileges etc. pertain to only a specific Option of Debentures and not all Debentures, of majority debenture holders holding Debenture of such Options, or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders (or the Debenture Holders of a particular Options, as the case may be), carried by a majority consisting of not less than three-fourths of the persons voting there upon a show of hands or, if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not accepted in writing by the Issuer. Provided however that where the Debenture Trustee determines any such condition, terms etc. which are to be



modified to be of a formal, negligible, minor or technical nature, the Debenture Trustee may, at any time, without prejudice to the rights of the Debenture Holders in respect of any subsequent modification, modify such rights, privileges, terms and conditions.

#### Terms of Debenture Documents

The provisions of this Offer Letter and the covenants, undertakings, representations and disclosures made by the Issuer under this Offer Letter shall be supplemental / in addition to the obligations, undertakings, covenants, representations etc. of the Issuer incorporated under the other Debenture Documents.

#### Depository Arrangements

The Issuer has appointed Link Intime India Private Limited as Registrars and Transfer Agent for the present Issue. The Issuer has made necessary depository arrangements with NSDL and CDSL for issue and holding of Debentures in dematerialized form. Investors can hold the debentures only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Issuer shall take necessary steps to credit the Debentures allotted to the depository account of the Debenture Holder.

#### Disclaimer in respect of jurisdiction

This Issue is made in India to Investors who shall be specifically approached by the Company. This Offer Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any Person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts of Mumbai. This Offer Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. No action is being taken to permit an offering of the Debentures or the distribution of this Offer Letter in any jurisdiction where such action is required. The distribution of this Offer Letter and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Offer Letter comes are required to inform themselves about and to observe any such restrictions.

#### Other Consents

Catalyst Trusteeship Limited has given its written consent bearing reference no. CL/DEB/23-24/960 dated 21<sup>st</sup> September 2023 or its appointment as Debenture Trustee to the Issue under Regulation 4(4) of the SEBI Regulations and inclusion of its name in the form and context in which it appears in this Offer Letter.

#### Force Majeure

The Issuer reserves the right to withdraw the issue prior to the Deemed Date of Allotment in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Issuer reserves the right to change the issue schedule.

#### Breach of Covenant by Issuer may be Waived

The Trustee may, at any time, after obtaining the consent of the Majority Debenture Holders or where the breach is of the covenants only with respect to specific options of Debentures and not all Debentures, the Majority Debenture Holders holding the specific Option of Debentures, waive on such terms and conditions as to them shall seem expedient any breach by the Issuer of any of the covenants and provisions in the Debenture Documents without prejudice to the rights of the Trustee in respect of any subsequent breach thereof. Provided however that where the Debenture Trustee determines such breach to be of a formal, negligible, minor or technical nature, the Debenture Trustee may, at any time, without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof, waive on such terms and conditions as it shall deem expedient any such breach by the Issuer.



## TERMS OF OFFER

Terms of offer are set out under the section “Particulars of the Offer” above. Below are the general terms and conditions.

- a) Particulars of the Offer: Please refer to the Term Sheet
- b) Other terms of offer:

➤ Mode of Payment for Subscription & Bidding Details:

The Applicants shall pay the subscription amount through any one of the below modes:

- NEFT/RTGS
- Fund Transfer
- Other Banking Channels

➤ Details of Bidding:

Particulars		Details
Mode of Bidding	:	Open Bidding
Mode of Yield allotment	:	Uniform Yield
Manner of Funds Pay-in	:	Through ICCL / NSE Clearing Ltd.
Bid Opening and Closing Date	:	September 27, 2023
Minimum Bid Lot	:	The minimum application lot shall be Rs. 1,00,00,000/- (Rupees One Crore – 100 NCDs) and in the multiples of Rs. 1,00,000/- (Rupees One Lakh – 1 NCD) thereafter
Settlement Cycle	:	T+1

The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed – Actual/ Actual

➤ **Issue**

Issue by way of private placement (the ‘Issue’) of Fully paid, Tier II, Subordinated, Rated, Listed, Unsecured, Redeemable, Non–Convertible Debenture (‘**Debentures**’) as below:

5,000 (Five Thousand) Fully paid, Tier II, Subordinated, Rated, Listed, Unsecured, Redeemable, Non–Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One lakh only) of the aggregate nominal value of up to Rs. 50,00,00,000/- (Rupees Fifty crores only) plus green shoe option up to 15,000 (Fifteen Thousand) Fully paid, Tier II, Subordinated, Rated, Listed, Unsecured, Redeemable, Non–Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One lakh only) of the aggregate nominal value of up to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only).

➤ **Compliance with Laws**

The Issue of Debentures is being made in reliance upon Section 42 of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and other applicable laws in this regard.

➤ **Electronic Book Provider for the issue is BSE Limited / NSE Limited**



## **Electronic Bidding Process**

The bidding process, parameters and requirements for the Debentures issued pursuant to the electronic bidding mechanism will be in accordance with Operational Guidelines issued by the Securities and Exchange Board of India dated 10<sup>th</sup> August, 2021, SEBI FAQs issued on *Electronic book mechanism for issuance of debt securities on private placement basis* and the operational guidelines issued by the BSE/NSE and / or issued by authority from time to time.

The change in control, if any, in the Company that would occur consequent to the private placement: Nil

The number of persons to whom allotment on preferential basis / private placement or rights issue has already been made during the year, in terms of number of securities as well as price: Kindly refer Notes on Page no. 19 point (c) for further information.

Secured Debentures–For FY 2023–24 (till date), the Company has issued in aggregate 1,30,000 Secured, Redeemable, Non-Convertible Debentures bearing face value of Rs. 1,00,000 per debenture to eligible allottees.

Un-secured / Subordinated Debentures – For FY 2023-24 – Nil. For FY 2022–23, the Company has issued in aggregate 300 Un-secured/Subordinated, Redeemable, Non-Convertible Debentures bearing face value of Rs. 1,00,00,000 per debenture to eligible allottees.

Perpetual Debentures– For FY 2023-24 – Nil. For FY 2022-23, the Company has issued in aggregate 225 Perpetual Debentures bearing face value of INR 1,00,00,000 per debenture to eligible allottees.

The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: N.A.

## **Listing**

The NCDs will be listed on the wholesale debt market segment of the BSE Ltd (BSE) / NSE Ltd (NSE).

The Issuer confirms that the Debentures would be listed within 3 (three) Working days from the Closure of Issue.

Delay in Listing: In case of delay in listing of the debt securities the Company shall pay penal interest of 1 % (one percent) per annum over the coupon rate.

## **PART – B**

Documents to be provided by investors:

Investors need to submit certified copies of the following documents, along with the application form, as applicable:

- Memorandum and articles of association/constitutional documents/bye-laws/trust deed
- Government notification/ Certificate of incorporation;
- Board resolution / letter authorizing the investment along with operating instructions;
- Certified true copy of the power of attorney, wherever applicable;
- Specimen signature of the authorised signatories, duly certified by an appropriate authority
- Copy of the PAN card;
- Form 15AA granting exemption from tax deductible at source on interest;
- Form 15H for claiming exemption from tax deductible at source on interest on application money, if any;



**Series – AFL 06/2023-24**

**Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2033**

**Date – October 25, 2023**

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For Private Circulation Only**

- Order under Section 197 of the IT Act;
- Order under Section 10 of the IT Act.

1.	Name	
2.	Father's Name	
3.	Complete Address including Flat/House Number, Street, Locality, PIN Code	
4.	Phone Number	
5.	Email ID	
6.	PAN Number	
7.	Bank Account Details	



## **DISCLAIMER**

PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THIS DOCUMENT HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASON FOR THE SAME. THE LIST OF DOCUMENTS PROVIDED ABOVE IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS / AUTHORIZATIONS / INFORMATION, WHICH ARE LIKELY TO BE REQUIRED BY THE COMPANY. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS / INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE COMPANY DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME.

The eligible bidders, while placing their bids with the Electronic Book Provider, shall ensure cooperation with the Issuer in limiting the number of investors on whose behalf it is bidding for the Issue. Such eligible bidder shall ensure that information pertaining to the Issue is shared with only such number of investors as has been permitted/ assigned by the Issuer for the Issue (**Permitted Limit**). The eligible bidder shall be solely responsible for exceeding the Permitted Limit while sharing the information pertaining to the Issue, and consequences that ensue as a result.

### **Consent of the investor / debenture holder:**

So long as the terms and conditions of the existing securities (under the respective issues) in the ISIN are not revised (i) otherwise than as may be required / permitted by regulations; or (ii) which results in breach of or violation of the regulation, which specifically precludes such revision, the Issuer reserves the rights entitled to add additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time with terms and conditions, which may be different from the existing securities under the respective issues under same ISIN. Such additional securities and their terms may be such as are permitted by regulations or not specifically precluded by regulations from time to time.

By signing the application form and making an application to subscribe to the securities to be issued by the Issuer all subscribers of the securities in this ISIN and any of the subsequent holders who have acquired the said securities in the secondary market shall be deemed to have irrevocably given their consent to the Issuer to add such additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time with terms, which may be different from the terms of securities under respective issues existing under the said ISIN.

### **Succession**

In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such Debentures, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal



representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the Applicable Law.

### **Right to accept or reject applications**

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of the Company, and would not be paid any interest on the application money. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realisation of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a) Number of Debentures applied for is less than the minimum application size;
- b) Bank account details not given;
- c) Details for issue of Debentures in electronic/ dematerialised form not given;
- d) PAN/GIR and IT Circle/Ward/District not given;
- e) In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted.

In the event, if any Debentures applied for is not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### **Interest on Application Money**

Interest on application money will be paid to investors at Coupon/ Yield to maturity (YTM) from the date of realization of subscription money upto one day prior to the Deemed Date of Allotment. Such interest shall be payable within fifteen business days from the Deemed Date of Allotment.

### **Allotment**

The Debentures allotted to investor in dematerialized form would be directly credited to the beneficiary account as given in the Application Form. The Debentures will be credited to the account of the allottee(s) as soon as practicable but in any event within two (2) working days of closure of issue.

### **Register of Debentures holder(s)**

A register of all Debenture holder(s) containing necessary particulars will be maintained by the Company at its Registered Office. A copy of the register of all Debenture holder(s) will also be maintained by the Company at its Corporate Office.

### **Transfer / Transmission**

The Debentures shall be freely transferable to all classes of eligible investors subject to compliance with Applicable Laws. The Debentures shall be transferred and/or transmitted in accordance with applicable provisions of the Companies Act and other Applicable Laws.

Transfer of Debentures (being in dematerialised form) would be in accordance to the rules/ procedures as prescribed by the Depositories.



## **Authority for The Placement**

This private placement of Debentures is being made pursuant to the special resolution of shareholders dated 6<sup>th</sup> June 2023 authorizing the board to borrow monies by way of issue of non-convertible debentures and resolution of the board of directors passed at its meeting held on 13<sup>th</sup> April 2023 which has approved the placement of Debentures in one or more series/tranches.

The present issue of the Debentures is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, by way of an approval of dated 6<sup>th</sup> June 2023 giving their consent to the borrowing by the Directors of the Company from time to time subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing Approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

## **Record Date**

The record date will be 15 (fifteen) days prior to each interest payment / principal repayment date

## **Effect of Holidays**

Should any of the Due date(s), as defined above or elsewhere in this Offer Letter or in any respective tranche offer document, fall on a non-Business Day, the next Business Day shall be considered as the effective date for the purpose of coupon/interest payment and the previous Business Day shall be considered as the effective date for the purpose of payment of redemption proceeds. However, in case any such payment falls on a holiday, the amount of that payment and the amounts and dates of all future payments shall remain as originally stipulated at the time of issuing the Debentures.

All interest & redemption calculations shall be made up to 1 (one) Business Day prior to the date of actual payment.

## **Tax Deduction at Source**

Tax as applicable under the IT Act or under any other statutory modification or re-enactment thereof will be deducted at source on coupon payment. Requisite certificate for tax deducted at source, as contemplated and/or required under the provisions of IT Act from time to time, will be issued to the registered holders of the Debentures as per the records on the Record Date as applicable.

Interest payable subsequent to the Deemed Date of Allotment of Debentures will be treated as 'Interest on Securities' as per the relevant Income Tax Rules. Debenture Holders desirous of claiming exemption from deduction of income tax at source on the interest payable on Debentures should submit tax exemption certificate/ document, under Section 193 of the IT Act, if any, at the office of the Issuer, at least 30 (thirty) days before the payment becoming due. Tax exemption certificate/declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

## **Redemption on Maturity of Debenture**

Each Options of the Debentures will be redeemed on their respective Final Maturity Dates.



### **Payment on redemption**

Payment of the redemption amount of the Debentures will be made by the Company to the beneficiaries as per the beneficiary list provided by the Depositories as on the Record Date. The Debentures shall be taken as discharged on payment of the Outstanding Amounts of the Debentures by the Company to the beneficiaries as per the beneficiary list. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holders. On such payment being made, the Company will inform the Depository and accordingly the account of the Debenture Holders with Depositories will be adjusted. The Company's liability to the Debenture Holder for each options of Debentures in respect of all their rights including for payment or otherwise shall cease and stand extinguished after the respective Final Maturity Date. Upon dispatching the payment instrument towards payment of the Outstanding Amounts of the Debentures as specified above in respect of the Debentures, the liability of the Company shall stand extinguished. Further, the Issuer will not be liable to pay any interest or compensation from such date of redemption.

### **Compliance Officer**

The investor may contact the Company in case of any pre -issue / post-issue related problems such as non-receipt of demat credit / non-receipt of redemption / interest.

### **Notices**

All notices to the Debenture holder(s) required to be given by the Company shall be sent to the Debenture holder(s) at the address stated in the Application Form, or details registered with the dematerialised account of the Debenture holder(s) from time to time. In case of Debentures held in electronic (dematerialised) form, notices will be sent to those whose names appear on the latest list of Beneficial Owner(s), provided to the Company by Depository (ies)

All notices to the Company by the Debenture holder(s) must be sent by registered post or by hand delivery or by email to the Company at its Corporate Office or to such person(s) at such address or email address as may be notified by the Company from time to time.

### **Debentures to Rank Pari-Passu**

The Debentures of this Issue shall rank *pari passu inter se* without preference or priority of one over the others.

### **Payment of Interest / Redemption**

Payment of the principal, all interest and other monies will be made to the registered Debenture holder(s)/ beneficial owner(s) and in case of joint holders to the one whose name stands first in the register of Debenture holder(s) / in the list of beneficial owner(s) provided to the Company by the Depository (NSDL and/or CDSL). Such payment shall be made through electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT).

### **Right to Re-Purchase and Re-Issue Debenture(s)**

The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets at Fair Market Value or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations.



a) Purchase and Resale of Debentures:

The Company may, subject to Applicable Law at any time and from time to time, at its sole and absolute discretion purchase some or all of the Debentures held by the Debenture Holders at any time prior to the specified date(s) of redemption / put / call as specified in the relevant offer document. Such buy-back of Debentures may be at par or at discount / premium to the face value at the sole discretion of the Company. The Debentures so purchased may, at the option of the Company, be cancelled, consolidated, held or resold in accordance with the provisions of the Applicable Law.

b) Reissue of Debentures:

The Company shall have a right to repurchase the said Debentures or any of the Series of the Debentures and cancel or re-issue them from time to time in accordance with the provisions of the Act and Applicable Law. Upon such re-issue the person entitled to the Debentures shall have and shall be deemed always to have had, the same rights and priorities as if the Debentures had never been redeemed.

### **Future Borrowing**

The Company shall with the intimation to the Debenture Trustee be entitled to make further issue(s) of debentures, raise further loans and advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/ banks/ financial institutions or body corporate/ any other agency and for such creation of any mortgage or charge on any of the aforesaid properties or assets of the Issuer.

### **Tax Benefits**

There are no specific tax benefits attached to the Debentures. Investors are advised to consider the tax implications of their respective investment in the Debentures.

### **Trustees**

**Catalyst Trusteeship Limited** (formerly known as GDA Trusteeship Ltd.,) GDA House, S No.94/95. Plot No.85, Off. Kothrud Bus Depot, Bhusari Colony–(Right), Paud Road, Pune – 411 038 vide letter bearing reference number CL/DEB/23-24/960 dated 21<sup>st</sup> September 2023 has given their consent to the Company for their appointment under regulation 4(4) to act as the Trustees for the Debenture holders (hereinafter referred to as ‘Trustees’). All remedies of the Debenture holder(s) for the amounts due on the Debentures will be vested with the Trustees on behalf of the Debenture holder(s). The Debenture holders shall without any further act or deed be deemed to have irrevocably given their consent to and authorized the Trustees or any of their Agents or authorized officials to do, inter alia, acts, deeds and things necessary in respect of or relating to the creation of security in terms of this Memorandum of Private Placement.

The Debenture Trustee has executed Debenture Trustee Agreement dated [•] and as per the Debenture Trustee Agreement, the Debenture Trustee is entitled to the fees, remuneration and all reasonable costs, charges, travelling, legal and expenses as set out in the consent letter bearing reference number CL/DEB/23-24/960 dated 21<sup>st</sup> September 2023 appended herein as **Annexure E** for its services as the Debenture Trustee. Under the Debenture Trustee Agreement, the Company has agreed to provide the details of the bank account from which the Company proposes to make the payment of interest and/or redemption of principal due to the Debenture Holder prior to the execution of the Debenture Trust Deed. The Company has agreed to create a charge over the Security and register/provide necessary co-operation to the Debenture Trustee to register the charge with the Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee and provide all co-operation required to do such filings.



Under the Debenture Trustee Agreement, the Debenture Trustee have the responsibility to conduct a due-diligence (either through itself or its agents /advisors/consultants which it shall have the power to appoint) and to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the Security as stipulated in the disclosure documents and the relevant laws has been obtained and the power to examine the books of account of the Company and to have the Company's assets inspected.

In order to conduct such diligence as per the Debenture Trustee Agreement, the Company has agreed to provide all assistance to the Debenture Trustee.

#### **Debentures subject to the Debenture Trust Deed, etc.**

Over and above the aforesaid terms and conditions, the Debentures, issued under this Document, shall be subject to prevailing guidelines/regulations of Reserve Bank of India and other authorities and also be subject to the provisions of the Memorandum and Articles of Association of the Company and all documents to be entered into by the Company in relation to the issue of Debentures including this Document and the debenture trust deed, as applicable ('Transaction Documents').

#### **Governing Law**

Laws of India subject to jurisdiction of Mumbai courts. The Debentures are governed by and will be construed in accordance with Indian law. The Company and Company's obligations under the Debentures shall, at all times, be subject to the directions of Department of Company Affairs, RBI, SEBI and Stock Exchanges and other applicable regulations from time to time. Applicants, by purchasing the Debentures, agree that the courts at Mumbai shall have non-exclusive jurisdiction with respect to matters relating to the Debentures.

#### **Process of Due Diligence (DD) to be carried out by the Debenture Trustee:**

Not Applicable - This being an issue of unsecured subordinated debt securities by the Issuer, no security is proposed to be created by the Issuer.

#### **Permission / Consent from the prior creditors and undertaking on creation of charge**

Not Applicable - This being an issue of unsecured subordinated debt securities by the Issuer, no security is proposed to be created by the Issuer.

#### **Consents if any for undertaking this issue or creating security**

Not Applicable - This being an issue of unsecured subordinated debt securities by the Issuer, no security is proposed to be created by the Issuer.

In case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in this Disclosure Document and Debenture Trust Deed to be executed by the Company, the provisions contained in the Disclosure Document shall prevail and supersede.

- Name and address of the valuer who performed valuation of the security offered and basis on which the price has been arrived at along with report of the registered valuer: As this is an issuance of Debentures at par value, there is no valuation for this Issue.
- Relevant Date with reference to which the price has been arrived at: N.A.
- Details of contribution made by the promoters or directors either as part of the Issue or separately in furtherance of the Objects of the Issue: Nil
- Project cost and means of financing, in case of funding of new projects: N.A.



- Details of significant and material orders passed by the Regulators, Courts & Tribunals impacting the going concern status of the Company and its future operations: Nil

**Disclosure with regard to the interest of Directors, Litigation etc.:**

Sr. No	Particulars	Details
i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	Nil
ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	Our parent is Axis Bank Limited which is a banking entity. As on date, considering the size of operations of Axis Bank Limited, there are no tax litigations resulting in material liabilities. Further there are no cases either individually or in the aggregate, that would have a material adverse effect on the financial condition, results of operations or cash flows of Axis Bank Limited.
iii.	Remuneration of directors (during the current year and last three financial years)	Please refer to clause 2.3.8 (Remuneration of the Directors during the Current Year and the Last Three Financial Years) of this Offer Letter.
iv.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided	Please refer to clause 2.3.8 ( <i>Related Party Transactions entered during the Last Three Financial Years</i> ) of this Offer Letter.
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark	Nil
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of	Nil



Sr. No	Particulars	Details
	the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries	
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company	Nil

## ➤ Documents Submitted

1. The following documents have been/ shall be submitted to the BSE/NSE:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 years audited Annual Reports;
- C. Statement containing particulars of dates of and parties to all material contracts and agreements;
- D. Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories
- E. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, wherever applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc., and the same would be uploaded on the website of the Designated Stock Exchange, where the Debentures would be listed, within five working days of execution of the same
- F. Due diligence certificate issued by the Debenture Trustee as per SEBI circular dated 3 November 2020, SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/106 dated August 04, 2022 and Schedule IV of the SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021.
- G. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.
- H. Where applicable an undertaking that permission / consent from the prior creditor for a pari-passu charge being created in favor of the trustees to the proposed issue has been obtained.

2. The following documents have been/ shall be submitted to the Debenture Trustee:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 years audited annual reports;
- C. Statement containing particulars of dates of and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009/ Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual results. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (Two) working days of their specific request.

➤ Undertaking on creation of Security pursuant to Regulation 48(2) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not Applicable

➤ Undertaking by the Issuer:

The Issuer Company undertakes that:



- it will take all steps for completion of the formalities required for listing and commencement of trading at the stock exchange/s where the securities are proposed to be listed within reasonable time.
- The Guidelines for FII investment in debt securities issued by RBI on 1 March 2012 vide its circular no.89 will be complied with for listing of the debentures, if and to the extent applicable.
- the funds required for refund of application money in case of non-allotment or partial allotment of debentures shall be made available by the issuer company.
- necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the debentures are outstanding.
- the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily.
- that the company shall disclose the complete name and address of the debenture trustee in the annual report,
- This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The face value of each debt security issued on private placement basis shall be Rs. One lakh.
- Filing of Disclosure Document shall be as per SEBI (Issue and listing of Non- Convertible Securities) Regulation, 2021.

**Terms and conditions of Debenture trustee agreement including fees charged by Debenture Trustee**

The Issuer has executed the Debenture Trustee Appointment Agreement (DTAA) on [•] and the Issuer will execute the Debenture Trust Deed (DTD) with the Debenture Trustee as per the applicable provisions. Service charges of Debenture Trustee as mentioned in their consent letter bearing reference number CL/DEB/23-24/960 dated 21<sup>st</sup> September 2023.

**Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.**

In respect of all the existing debt securities / term loans, the payment of interest / principal has been made on the respective due dates as per the terms of the issue.

**Material Contracts and Agreements**

Copies of the following documents may be inspected at the registered office of the Company from 11:00 am to 1:00 pm on any working day (Monday to Friday) until the date of closing of this Issue:

- a) Certified copies of last 3 Financial Years' Annual Report containing the audited Balance Sheet and Profit & Loss Account.
- b) Certified true copy of the Certificate of Incorporation of the Company
- c) Certified true copy of the Certificate dated September 12, 2011 issued by RBI, under section 45IA of the Reserve Bank of India Act, 1934.
- d) Certified copy of Shareholders' Resolution dated 6<sup>th</sup> June 2023 and the Board Resolutions dated 13<sup>th</sup> April 2023 authorizing Issue of Debentures offered under terms of this Offer Letter and other relevant Debenture Documents and the list of authorized signatories.
- e) Certified true copy of the Memorandum and Articles of the Company.
- f) Copy of the consent letter bearing reference number CL/DEB/23-24/960 dated 21<sup>st</sup> September 2023 from Catalyst Trusteeship Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures.
- g) Copy of the letter issued by CRISIL Ratings Limited dated September 06, 2023 conveying the credit rating for the Debentures of the Company and the rating rational pertaining thereto.
- h) Copy of letter issued by India Ratings and Research Private Limited dated September 06, 2023 conveying the credit rating of the Company and the rating rational pertaining thereto.
- i) Copy of the tripartite agreement between the Company, National Securities Depository Ltd/Central Depository Services (India) Ltd and the Registrar to the Issue of Debentures in



***Series – AFL 06/2023-24***

***Security Name – 8.28% Unsecured NCDs, Axis Finance  
Limited, 2033***

***Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only***

dematerialized form.

- j) Copy of the Debenture Trustee Appointment Agreement.
- k) Copy of the Debenture Trust Deed.



**Term Sheet**

Security Name	8.28% SUBORDINATED UNSECURED NCD, Axis Finance Limited, 2033
Issuer	Axis Finance Limited. (“AFL” or the “Company” or the “Issuer”)
Type of Instrument	Fully paid Subordinated Unsecured (Tier II) Redeemable Non-Convertible Debentures.
Nature of Instrument	Subordinated Unsecured (Tier II)
Seniority	Subordinated
Mode of Issue	Private Placement
Debenture Trustee	Catalyst Trusteeship Limited
Eligible Investors/ Eligible Participants	a) Qualified Institutional Buyers (QIBs), as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, and b) Any non-QIB investor including arranger(s), who are eligible to participate in the issue through an Electronic Book Mechanism of NSE / BSE (BSE/NSE BOND – EBP).
Listing (including the name of the stock exchange where it will be listed and timeline for listing)	The NCDs will be listed on the Wholesale Debt Market Segment (WDM) of the NSE Ltd / BSE Ltd. (NSE/BSE).  The Issuer proposes to list these Debentures on the NSE Limited / BSE Limited. The Issuer confirms that the Debentures would be listed within 3 (Three) Trading days from the Closure of Issue. Delay in Listing: In case of delay in listing of the debt securities the Company shall pay penal interest of 1 % p.a. over the coupon rate.
Credit Rating	‘India Ratings AAA/Stable’ issued by India Ratings & Research Limited vide their letter dated 11.10.2023  ‘CRISIL AAA/Stable’ issued by Crisil Ratings Limited vide their letter no. RL/ENAMF/322153/SUBDEBT/0723/65115/7098126 7/3 dated 11.10.2023
Issue Size	Total issue size of Rs. 200,00,00,000.00 (Rupees Two Hundred Crores) including in aggregate Base issue of up to Rs. 50,00,00,000 (Rupees Fifty Crores only) and green shoe option of up to Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores)
Minimum Subscription	The minimum Application shall be Rs.1,00,00,000.00 (Rupees One Crore) and in multiple of Rs.1,00,000.00 (Rupees One Lakh – 1 NCD) thereafter
Option to retain oversubscriptions	As mentioned in the Green shoe section (up to Rs. 150 Crs.)
Objects of the Issue	The object of the Issue is to augment long-term resources of the Company in its line of business for onward lending and business operations including for capital expenditure, working capital requirements, augmenting Tier II etc. The expenses of the present issue would also be met



	from the proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date. <b>Interim Use of Proceeds</b> The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, CBLO (TREPS) deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.											
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a ‘group company’ then disclosures shall be made in the following format:	N.A.											
Details of utilisation of Issue Proceeds	The funds will be utilized for the objects of the issue.											
Series	AFL 06 /2023-24											
Base Issue	Rs. 50.00 crores											
Green Shoe	Rs. 150.00 crores											
Issue Size	In aggregate Base issue of up to Rs. 50,00,00,000 (Rupees Fifty Crores only) and green shoe option of up to Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores)											
Coupon Rate	8.28% p.a.											
Step Up/Step Down Coupon Rate	N.A.											
Coupon Payment Frequency	Annually											
Coupon payment dates	<table><tr><td>Wednesday, 30 October, 2024</td></tr><tr><td>Thursday, 30 October, 2025</td></tr><tr><td>Friday, 30 October, 2026</td></tr><tr><td>Monday, 1 November, 2027</td></tr><tr><td>Monday, 30 October, 2028</td></tr><tr><td>Tuesday, 30 October, 2029</td></tr><tr><td>Wednesday, 30 October, 2030</td></tr><tr><td>Thursday, 30 October, 2031</td></tr><tr><td>Monday, 1 November, 2032</td></tr><tr><td>Friday, 28 October, 2033</td></tr></table>		Wednesday, 30 October, 2024	Thursday, 30 October, 2025	Friday, 30 October, 2026	Monday, 1 November, 2027	Monday, 30 October, 2028	Tuesday, 30 October, 2029	Wednesday, 30 October, 2030	Thursday, 30 October, 2031	Monday, 1 November, 2032	Friday, 28 October, 2033
Wednesday, 30 October, 2024												
Thursday, 30 October, 2025												
Friday, 30 October, 2026												
Monday, 1 November, 2027												
Monday, 30 October, 2028												
Tuesday, 30 October, 2029												
Wednesday, 30 October, 2030												
Thursday, 30 October, 2031												
Monday, 1 November, 2032												
Friday, 28 October, 2033												
(Cumulative / non-cumulative, in case of dividend	N.A.											
Coupon Type	Fixed											
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	N.A.											
Day Count Basis	Actual/Actual											
Interest on Application Money	Interest on application money will be paid to investors at Coupon/ Yield to maturity (YTM) from the date of											



	realization of subscription money upto one day prior to the Deemed Date of Allotment. Such interest shall be payable within 15 (fifteen) business days from the Deemed Date of Allotment.
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate shall be payable by the Issuer for the defaulting period.
Tenor	3651 days
Redemption Date	28 <sup>th</sup> November, 2033
Redemption Amount	Rs.1,00,000/- each
Redemption Premium	Nil
Issue Price	At par, Rs.1,00,000/- per NCD
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call option Price	N.A.
Conditions for exercising the Call Option / Put Option	N.A.
Put Notification time	N.A.
Call Notification time	N.A.
Face Value	Rs.1,00,000/- each (Rs. One Lakh each)
Minimum Application (Minimum Bid Lot) and in multiples of Debt securities thereafter	The minimum Application shall be Rs.1,00,00,000.00 (Rupees One Crore – 100 NCD) and in multiple of Rs.1,00,000.00 (Rupees One Lakh – 1 NCD) thereafter
Issue Timing	11.00 am to 12.00 pm
Issue Opening Date/Bid Opening Date	27 <sup>th</sup> October, 2023
Issue Closing Date/Bid Closing Date	27 <sup>th</sup> October, 2023
Date of earliest closing of the issue, if any.	27 <sup>th</sup> October, 2023
Pay in Date	30 <sup>th</sup> October, 2023
Deemed Date of Allotment	30 <sup>th</sup> October, 2023
Allotment (In Rs.)	[●]
Settlement mode of the Instrument	RTGS/NEFT/Fund Transfer
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Disclosure of Interest/Dividend / redemption dates	As per above mentioned.
Record Date	The record date will be 15 (fifteen) days prior to each interest payment / principal repayment date
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As per Placement memorandum (PM) / Debenture Trust Deed (DTD) and applicable Regulations.
Security- [Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the	N.A.



debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.]	
Security	Not Applicable- Issue of unsecured subordinated debt securities by the Issuer
Transaction Documents	1. Debenture Trustee Appointment Agreement; 2. Placement Memorandum; 3. Debenture Trust Deed; 4. Term Sheet; 5. Rating Letter; 6. Trustee Consent Letter; 7. Application Form; and 8. Any other document related to the transaction that may be designated as a 'Transaction Document' by the debenture trustee.
Conditions Precedent to Disbursement	1. The Issuer has obtained in-principle approval of the stock exchange for listing of Debentures 2. Execution of Debenture Trustee Agreement and the Debenture Trust Deed; 3. Such other undertaking as may be required from the Company.
Condition Subsequent to Disbursement	1. Filing of the relevant documents inter alia, return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013. 2. Completion of the listing of Debentures on NSE within 4 (four) Trading days from the Closure of Issue. 3. Execution of any other documents as customary for transaction of a similar nature and size.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	As per the Debenture Trust Deed
Creation of Recovery Expense Fund	The Company has set up a Recovery Expense Fund by duly depositing a sum of Rs. 25,00,000 (Rupees Twenty-Five Lakhs Only) in account number BSEALF10819 maintained with HDFC Bank Ltd, Fort Branch in favour of BSE on March 1, 2021. The Company agrees and undertakes to deposit with BSE such additional amount as may be required as per the provisions of the Act and the guidelines and circulars issued and notified by the SEBI from time to time.
Conditions of breach of Covenants (As specified in Debenture Trust Deed)	As per PM / DTD and applicable Regulations
Provisions related to Cross Default Clause	N.A.
Role and Responsibilities of Debenture Trustee	As defined in the Debenture Trust Deed
Risk factors pertaining to the Issue	Refer Section - Management's Perception Of Risk Factors as mentioned in the Information Memorandum
Manner of bidding in the issue	Open Bidding



Manner of allotment in the issue	Uniform yield allotment
Manner of settlement in the issue	Through NSE Clearing Limited / Indian Clearing Corporation Ltd.
Settlement cycle	T+1
Lock-In Clause	N.A.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Arranger to the issue	N.A.
Business Day Convention	<p>If the date of payment of interest does not fall on a Working Day in Mumbai, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.</p> <p>In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day in Mumbai, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.</p> <p>Working Day means a day which is not a Saturday, Sunday or a public holiday and on a day when there is no RTGS/ NEFT/ ECS clearing facility in Mumbai.</p> <p>(Refer SEBI Circular –CIR/IMD/DF-1/122/2016 dated November 11, 2016)</p>
Right to Re-purchase Debentures	The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets at Fair Market Value or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations
Voting / conditions of joining Inter Creditor Agreement in the Event of Default	As per PM / DTD and applicable Regulations
Delay in Listing	In case of delay in listing of the debt securities beyond 3 (Three) Trading days from the closure of the issue, the Company shall pay penal interest of atleast @ 1 % p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing)
Delay in creation of charge	N.A.
Delay in execution of Debenture Trust Deed	The Issuer and the Debenture Trustee shall execute the Trust Deed within such timelines as may be specified by the Board. Where an Issuer fails to execute the Trust Deed within the period specified, without prejudice to any liability arising on account of violation of the



	provisions of the Companies Act, 2013 and SEBI (Issue and Listing of Non-Convertible Securities), 2021, the Issuer shall also pay interest of at least 2% (two percent) per annum or such other rate, as specified by the Board to the holder of debt securities, over and above the agreed Coupon Rate, till the execution of the Trust Deed
Disclosure in terms of SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020	<p><b><i>Terms and conditions of Debenture trustee agreement including fees charged by Debenture Trustee</i></b></p> <p>The Company will be executing the Debenture Trustee Appointment Agreement (DTAA) and the Debenture Trustee Deed (DTD) before issue opening date.</p> <p>Service charges of Debenture Trustee As mentioned in their consent letter bearing reference no. <b>CL/DEB/23-24/960</b> dated 21<sup>st</sup> September, 2023.</p> <p><b><u>Process of Due Diligence carried out by the Debenture Trustee – Not Applicable – As this being issue of unsecured subordinated debt securities by the Issuer, no security is proposed to be created by the Issuer.</u></b></p>
RBI Guidelines	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.
Governing Law and Jurisdiction	Laws of India subject to jurisdiction of Mumbai courts

Notes:

1. If the coupon payment date of the Debentures falls on a Saturday or a Sunday or a holiday, the coupon payment shall be made on the next working day. In order to ensure consistency, a uniform methodology shall be followed for calculation of interest/ dividend payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.
2. If the date of payment of interest does not fall on a Working Day in Mumbai, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date.



**DECLARATION BY THE DIRECTORS THAT –**

- a. The Company has complied with the provisions of the Companies Act, 2013 and Rules made thereunder.
- b. The compliance with the Companies Act, 2013 and Rules made thereunder does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.
- c. The monies received under the Offer shall be used only for the purposes and objects indicated in the Placement Memorandum.

I am authorized by the Board of Directors of the Company vide resolution dated 13<sup>th</sup> April 2023 sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**For AXIS FINANCE LIMITED**



**Authorised Signatory**

**Amith Iyer**

**Designation – CFO and Head Treasury**

**Place:** Mumbai

**Date:** October 25, 2023

**Attachments:**

- a) **Annexure A** – Summary of Financial Position of the Company during the last three financial years
- b) **Annexure B** – Audited Cash Flow Statements.
- c) **Annexure C** – Certified Copy of Board Resolution
- d) **Annexure D** – Certified Copy of the Shareholders Resolution
- e) **Annexure E** – Consent of Trustee, Credit Rating Letter and Rating Rationale
- f) **Annexure F** – Illustration of Cash Flows from the Debentures
- g) **Annexure G** – Disclosures of NBFCs
- h) **Annexure H** – Audit Report from Statutory Auditor for FY 2023, FY 2022 and FY 2021
- i) **Annexure I** – Details of borrowing as on September 30, 2023
- j) **Annexure J** – Events of Default
- k) **Annexure K** – Covenants of the Issue
- l) **Annexure L** – ALM Statement
- m) **Annexure M** – Due Diligence Certificate as per Annexure A and Schedule IV of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021



**Annexure A – Summary of Financial Position of the Company during the Last Three Financial Years**

(in crores)				
For Financial Entities	H1 FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21
	(Audited)	(Audited)	(Audited)	(Audited)
Net worth	3,451.98	3171.57	2,191.13	1,442.48
Total Debt of which –	22,802.79	20001.84	14,736.26	9,633.69
- Non Current Maturities of Long Term Borrowing	16,058.44*	14,544.81	10,102.46	5,010.60
- Short Term Borrowings	2,214.26*	876.57	1,086.28	2,652.29
- Current Maturities of Long Term Borrowings	4,530.09*	4,580.46	3,547.52	1,970.80
Net Fixed Assets	22.04	20.02	19.87	16.46
Non-Current Assets (all non current assets excluding Fixed assets included in F.Y. 21)	19,057.52*	18,052.71	13,561.01	8,169.57
Cash and Cash Equivalents	112.88	755.16	345.86	50.68
Current Investments	460.32*	510.19	15.99	761.06
Current Assets	7,769.80*	5,934.53	3,735.54	2,214.20
Current Liabilities (including provisions)	694.28*	6,248.29	4976.02	114.67
Assets Under Management	29,449.00	24,995	<b>17,059</b>	10,989.37
Off Balance Sheet Assets	-	-	-	-
Interest Income	1,348.35	2136.25	1,372.23	1014.72
Interest Expense	819.35	1196.39	697.36	489.76
Provisioning & Write-offs	58.51	65.34	72.88	121.21
Profit before tax	377.50	773.42	464.03	262.33
Provision for tax	96.56	194.32	117.69	67.71
Profit after tax (PAT)	280.94	579.10	346.34	194.62
Gross NPA (%)	0.52%	0.61%	1.23%	2.85%
Net NPA (%)	0.26%	0.26%	0.42%	1.86%
Tier I Capital Adequacy Ratio (%)	13.80%	14.79%	<b>14.03%</b>	13.05%
Tier II Capital Adequacy Ratio (%)	3.97%	5.31%	<b>5.15%</b>	6.50%

\*Figures are as per IGAAP

**Balance Sheet**

(Rs. in crores)				
Particulars	As at 30th September, 2023 (Audited)*	As at 31st March, 2023 (Audited)*	As at 31st March, 2022 (Audited)*	As at 31st March, 2021 (Audited)*
<b>ASSETS</b>				
<b>Financial Assets</b>				
<b>Cash and cash equivalents</b>	<b>112.88</b>	<b>755.16</b>	<b>345.86</b>	<b>52.42</b>
<b>Bank balance other than cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>1.83</b>	
<b>Derivative Financial Instruments</b>	<b>-</b>	<b>-</b>	<b>4.07</b>	<b>-</b>



<b>Trade Receivables</b>	<b>5.60</b>	<b>0.14</b>	<b>6.02</b>	<b>5.20</b>
<b>Loans</b>	<b>25,787.19</b>	<b>22,006.25</b>	<b>16,083.10</b>	<b>10,092.20</b>
<b>Investments</b>	<b>919.50</b>	<b>909.33</b>	<b>689.24</b>	<b>897.18</b>
<b>Other financial assets</b>	<b>180.59</b>	<b>136.30</b>	<b>10.75</b>	<b>2.19</b>
<b>Sub-total-Financial assets</b>	<b>27,005.76</b>	<b>23,807.18</b>	<b>17,140.87</b>	<b>11,049.19</b>
<b>Non-Financial Assets</b>				
<b>Current Tax Assets (net)</b>	<b>48.06</b>	<b>74.66</b>	<b>32.62</b>	<b>50.22</b>
<b>Deferred Tax Assets (net)</b>	<b>91.90</b>	<b>79.72</b>	<b>88.12</b>	<b>75.75</b>
<b>Property, plant and equipment</b>	<b>6.70</b>	<b>6.13</b>	<b>4.14</b>	<b>1.98</b>
<b>Other Intangible Assets</b>	<b>15.34</b>	<b>13.89</b>	<b>15.73</b>	<b>14.48</b>
<b>Right-of-use assets</b>	<b>14.98</b>	<b>15.85</b>	<b>24.57</b>	<b>16.87</b>
<b>Other non-financial assets</b>	<b>8.70</b>	<b>9.83</b>	<b>10.38</b>	<b>3.57</b>
<b>Sub-total Non-Financial assets</b>	<b>185.68</b>	<b>200.08</b>	<b>175.55</b>	<b>162.86</b>
<b>Total – Assets</b>	<b>27,191.44</b>	<b>24,007.26</b>	<b>17,316.42</b>	<b>11,212.05</b>
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
<b>Debt securities</b>	<b>9,098.93</b>	<b>7,963.55</b>	<b>8,252.13</b>	<b>7,888.98</b>
<b>Borrowings (Other than debt securities)</b>	<b>12,424.68</b>	<b>10,508.07</b>	<b>5,494.57</b>	<b>1,144.81</b>
<b>Subordinated Liabilities</b>	<b>1,513.06</b>	<b>1,530.21</b>	<b>989.56</b>	<b>599.90</b>
<b>Lease Liabilities</b>	<b>15.80</b>	<b>16.59</b>	<b>26.13</b>	<b>17.49</b>
<b>Other financial liabilities</b>	<b>647.06</b>	<b>745.28</b>	<b>309.21</b>	<b>79.54</b>
<b>Sub-total-Financial liabilities</b>	<b>23,699.53</b>	<b>20,763.70</b>	<b>15,071.60</b>	<b>9,730.72</b>
<b>Non-Financial liabilities</b>				
<b>Provisions</b>	<b>15.20</b>	<b>29.29</b>	<b>19.86</b>	<b>20.39</b>
<b>Other non-financial liabilities</b>	<b>24.73</b>	<b>42.70</b>	<b>33.83</b>	<b>18.46</b>
<b>Sub-total-Non-financial liabilities</b>	<b>39.93</b>	<b>71.98</b>	<b>53.69</b>	<b>38.85</b>
<b>EQUITY</b>				
<b>Equity share capital</b>	<b>590.81</b>	<b>590.81</b>	<b>538.51</b>	<b>482.25</b>
<b>Other equity</b>	<b>2,861.17</b>	<b>2,580.76</b>	<b>1,652.61</b>	<b>960.23</b>
<b>Total – Equity</b>	<b>3,451.98</b>	<b>3,171.57</b>	<b>2,191.13</b>	<b>1,442.48</b>
<b>Total - Equity and Liabilities</b>	<b>27,191.44</b>	<b>24,007.26</b>	<b>17,316.42</b>	<b>11,212.05</b>

\* Audited Financials are reported under IND AS

**Statement of Profit and Loss:**

(Rs. in crores)

<b>Particulars</b>	<b>As at 30th September, 2023 (Audited)*</b>	<b>As at 31st March, 2023 (Audited)*</b>	<b>As at 31st March, 2022 (Audited)*</b>	<b>As at 31st March, 2021 (Audited)*</b>
Revenue from operations				
Interest Income (at EIR)	1348.35	2,136.25	1372.23	1,014.72



*Series – AFL 06/2023-24*

*Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2033*

*Date – October 25, 2023*

*Private & Confidential  
For Private Circulation Only*

Net gain on fair value changes	13.47	5.75	24.35	13
Others	72.3	184.58	36.8	1.45
<b>Total Revenue from operations</b>	<b>1434.12</b>	<b>2,326.58</b>	<b>1433.38</b>	<b>1,029.16</b>
Other Income	-	-	-	-
<b>Total income</b>	<b>1434.12</b>	<b>2,326.58</b>	<b>1433.38</b>	<b>1,029.16</b>
Expenses				
Finance Costs	819.35	1,196.39	697.36	489.77
Impairment on financial instruments	58.51	65.34	72.88	121.21
Employee benefit expenses	113.16	192.5	134.95	88.91
Depreciation, amortization and impairment	9.04	15.57	10.19	5.81
Others expenses	56.56	83.37	53.97	61.14
<b>Total expenses</b>	<b>1056.62</b>	<b>1,553.17</b>	<b>969.35</b>	<b>766.84</b>
<b>Profit before exceptional items and tax</b>	<b>377.5</b>	<b>773.42</b>	<b>464.03</b>	<b>262.33</b>
Exceptional Items	-	-	-	-
<b>Profit before taxes</b>	<b>377.5</b>	<b>773.42</b>	464.03	262.33
Tax expenses				
- Current Taxes	108.55	186.39	130.07	77.26
- Deferred Taxes	-11.99	7.93	-12.38	-9.55
<b>Profit for the period</b>	<b>280.94</b>	<b>579.1</b>	<b>346.34</b>	<b>194.62</b>

*\* Financials are reported under IND AS*



Financial Results as on September 30, 2023

**AXIS FINANCE LIMITED**

**Statement of Assets and Liabilities as at September 30, 2023**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	As at 30/09/2023	As at 31/03/2023
	Audited	Audited
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	11,287.03	75,516.06
Bank balance other than cash and cash equivalents	0.53	-
Derivative financial instruments	-	-
Receivables		
a) Trade Receivables	560.47	13.88
b) Other Receivables	-	-
Loans	25,78,719.17	22,00,624.96
Investments	91,949.60	90,932.59
Other financial assets	18,059.65	13,630.24
<b>Sub-total-Financial Assets</b>	<b>27,00,576.45</b>	<b>23,80,717.73</b>
<b>Non-Financial Assets</b>		
Current Tax Assets (net)	4,806.37	7,465.77
Deferred Tax Assets (net)	9,190.27	7,972.24
Property, plant and equipment	669.56	612.89
Intangible assets under development	22.03	13.44
Other Intangible Assets	1,511.84	1,375.47
Right-of-use assets	1,498.13	1,584.80
Other non-financial assets	869.80	983.37
<b>Sub-total-Non-Financial Assets</b>	<b>18,568.00</b>	<b>20,007.98</b>
<b>Total - Assets</b>	<b>27,19,144.45</b>	<b>24,00,725.71</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Payables		
i) Trade Payables		
a) total outstanding dues to micro and small enterprises	49.57	-
b) total outstanding dues of creditors other than micro and small enterprises	10.30	208.49
ii) Other Payables		
a) total outstanding dues to micro and small enterprises	295.28	269.47
b) total outstanding dues of creditors other than micro and small enterprises	3,422.51	3,381.30
Debt securities	9,09,893.19	7,96,355.45
Borrowings (Other than debt securities)	12,42,468.15	10,50,807.34
Subordinated Liabilities	1,51,305.89	1,53,020.77
Lease Liabilities	1,580.10	1,658.52
Other financial liabilities	60,928.48	70,668.81
<b>Sub-total-Financial Liabilities</b>	<b>23,69,953.47</b>	<b>20,76,370.15</b>
<b>Non-Financial liabilities</b>		
Current tax liabilities (net)	1,049.18	3,364.94
Provisions	1,520.07	2,928.78
Other non-financial liabilities	1,423.45	904.75
<b>Sub-total-Non-Financial Liabilities</b>	<b>3,992.70</b>	<b>7,198.47</b>
<b>Total-liabilities</b>	<b>23,73,946.17</b>	<b>20,83,568.62</b>
<b>EQUITY</b>		
Equity share capital	59,081.39	59,081.39
Other equity	2,86,116.89	2,58,075.70
<b>Total - Equity</b>	<b>3,45,198.28</b>	<b>3,17,157.09</b>
<b>Total - Liabilities and Equity</b>	<b>27,19,144.45</b>	<b>24,00,725.71</b>





**AXIS FINANCE LIMITED**

**Statement of Financial Results for the Quarter and Half year ended September 30, 2023**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the Quarter ended 30/09/2023	For the Quarter ended 30/06/2023	For the Quarter ended 30/09/2022	For the Half year ended 30/09/2023	For the Half year ended 30/09/2022	For the year ended 31/03/2023
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations						
Interest Income	71,770.35	63,064.18	51,222.28	1,34,834.53	96,564.14	2,13,624.87
Fees and commission Income	1,369.43	700.92	479.57	2,070.35	899.04	4,325.83
Net gain on fair value changes	938.61	408.87	219.07	1,347.48	237.52	575.39
Net gain/(loss) on derecognition of financial instruments under amortised cost category	650.09	4,509.69	5,405.59	5,159.78	5,576.35	14,132.15
Total Revenue from operations	74,728.48	68,683.66	57,326.51	1,43,412.14	1,03,277.05	2,32,658.24
Other Income	-	-	-	-	-	-
Total Income	74,728.48	68,683.66	57,326.51	1,43,412.14	1,03,277.05	2,32,658.24
Expenses						
Finance Costs	42,590.86	39,344.10	28,762.44	81,934.96	52,781.50	1,19,638.64
Impairment on financial instruments	4,129.93	1,721.24	1,006.92	5,851.17	2,289.19	6,534.16
Employee benefits expenses	5,881.78	5,434.07	4,712.60	11,315.85	9,149.70	19,250.00
Depreciation, amortization and impairment	469.48	434.68	360.09	904.16	696.55	1,556.74
Others expenses	3,033.64	2,621.96	2,086.46	5,655.60	3,789.36	8,336.99
Total expenses	56,105.69	49,556.05	36,928.51	1,05,661.74	68,706.30	1,55,316.53
Profit before exceptional items and tax	18,622.79	19,127.61	20,398.00	37,750.40	34,570.75	77,341.71
Exceptional Items	-	-	-	-	-	-
Profit before taxes	18,622.79	19,127.61	20,398.00	37,750.40	34,570.75	77,341.71
Tax expenses						
- Current Tax	5,334.21	5,520.50	5,233.92	10,854.71	8,729.57	18,638.61
- Deferred Tax	(251.60)	(947.06)	129.03	(1,198.66)	86.36	792.95
Profit for the quarter/half year/year	13,540.18	14,554.17	15,035.05	28,094.35	25,754.82	57,910.15
Other Comprehensive Income						
(A) Items that will not be reclassified to profit and loss						
-Re-measurements of net defined benefit plans	1.61	(74.13)	117.41	(72.52)	116.68	190.84
-Income tax impact	1.29	(20.65)	29.55	(19.36)	29.36	48.03
Sub-total (A)	0.32	(53.48)	87.86	(53.16)	87.32	142.81
(B) Items that will be reclassified to profit and loss						
-Fair value changes on derivative designated as cash flow hedge	-	-	-	-	(6.39)	(6.39)
-Income tax impact	-	-	-	-	(1.61)	(1.61)
Sub-total (B)	-	-	-	-	(4.78)	(4.78)
Other Comprehensive Income/(Loss) (A+B)	0.32	(53.48)	87.86	(53.16)	82.54	138.03
Total Comprehensive Income for the quarter/half year/year	13,540.50	14,500.69	15,122.91	28,041.19	25,837.36	58,048.18
Paid-up Equity share capital (Face Value of ₹ 10 each)	59,081.39	59,081.39	57,922.93	59,081.39	57,922.93	59,081.39
Earning per equity share (not annualised for quarter/half year)						
Basic (₹)	2.29	2.46	2.61	4.76	4.57	10.12
Diluted (₹)	2.29	2.46	2.61	4.76	4.57	10.12





**AXIS FINANCE LIMITED**

**Statement of Cash Flows for the Half year ended September 30, 2023**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the Half year ended 30/09/2023	For the Half year ended 30/09/2022
	Audited	Audited
<b>A. Cash flow from operating activities</b>		
Profit before tax	37,750.40	34,570.75
Adjustments for:		
Depreciation, amortization and impairment (other than right-of-use assets)	435.24	361.57
Depreciation expense of right-of-use assets	468.92	334.99
Net gain on fair value changes	(1,347.48)	(237.52)
Net gain/(loss) on derecognition of financial instruments under amortised cost category	5,159.78	5,576.35
Impairment on financial instruments	5,851.17	2,289.19
Employee Stock Option	-	29.85
Interest on Lease deposit	(25.48)	(14.97)
Amortisation of Lease rental	23.60	16.28
Provision for expenses	67.01	964.49
Provision for Employee Benefit expense	(1,408.78)	(824.48)
Interest income from investments (at amortised cost)	(3,511.45)	(2,488.74)
Interest income from investments (FVTPL)	(1,139.56)	(432.23)
<b>Operating profit before working capital changes</b>	<b>42,323.37</b>	<b>40,145.53</b>
Movement in working capital:		
Decrease/(increase) in Bank Deposits	(0.53)	183.13
Decrease/(increase) in Derivative financial instruments	-	407.28
Decrease/(increase) in Trade Receivables	(546.59)	225.89
Decrease/(increase) in Loans	(3,83,842.20)	(3,43,332.02)
Decrease/(increase) in Other financial assets	(9,587.32)	(14,129.07)
Decrease/(increase) in Right-of-use assets	(382.26)	846.77
Decrease/(increase) in Other non-financial assets	113.56	(278.20)
(Decrease)/increase in Lease Liabilities	356.10	(981.81)
(Decrease)/increase in Trade Payables	(747.91)	246.74
(Decrease)/increase in Other financial liabilities	(9,074.02)	15,427.55
(Decrease)/increase in Provisions	(139.46)	(847.81)
(Decrease)/increase in Other non-financial liabilities	518.69	(210.55)
<b>Cash generated from operations</b>	<b>(3,61,008.57)</b>	<b>(3,02,296.57)</b>
Income tax paid	(10,511.07)	(6,914.30)
<b>Net cash flow from operating activities (A)</b>	<b>(3,71,519.64)</b>	<b>(3,09,210.87)</b>
<b>B. Cash flow from investing activities</b>		
Interest income from investments (at amortised cost)	3,652.69	3,000.28
Interest income from investments (FVTPL)	1,154.16	472.17
Purchase for Intangibles	(451.33)	(53.76)
Purchase of Property, plant and equipment	(185.51)	(196.23)
Sale of investment at Amortised Cost	66,986.94	-
Purchase of investment at Amortised Cost	(72,946.36)	(10,492.01)
Proceeds from sale of investment at FVTPL	1,21,064.56	63,993.28
Purchase of investment at FVTPL	(1,15,033.68)	(64,746.06)
<b>Net cash flow from investing activities(B)</b>	<b>4,241.47</b>	<b>(8,022.33)</b>
<b>C. Cash flow from financing activities</b>		
Increase/(decrease) in Debt securities	1,13,537.74	29,859.46
Increase/(decrease) in Borrowings (Other than debt securities)	1,91,660.81	2,68,028.37
Increase/(decrease) in Subordinated Liabilities	(1,714.88)	17,693.72
Proceeds from issue of Equity Shares (net of share issue expenses)	-	30,670.95
Payment towards Lease Liability	(434.53)	(304.13)
<b>Net cash flow from financing activities(C)</b>	<b>3,03,049.14</b>	<b>3,45,948.37</b>
<b>Net increase/(decrease) in cash and equivalents(A+B+C)</b>	<b>(64,229.03)</b>	<b>28,715.17</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>75,516.06</b>	<b>34,585.53</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11,287.03</b>	<b>63,300.70</b>
Cash	-	-
Balance with banks	11,287.03	63,300.70
Investment in highly liquid securities	-	-
	<b>11,287.03</b>	<b>63,300.70</b>





**Series – AFL 06/2023-24**  
**Security Name – 8.28% Unsecured NCDs, Axis Finance**  
**Limited, 2023**

**Date – October 25, 2023**  
**Private & Confidential**  
**For Private Circulation Only**

**AXIS FINANCE LIMITED**

**Statement of Cash Flows for the Half year ended September 30, 2023**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the Half year ended 30/09/2023	For the Half year ended 30/09/2022
<b>Additional disclosure pursuant to IND AS 7</b>		
Opening balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities including interest accrued	20,00,183.56	14,73,626.02
Cash flows	3,03,483.67	3,15,581.55
Closing balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities	23,03,667.23	17,89,207.57

1. Net cash generated from operating activity is determined after adjusting the following:

Operational cash flows from interest	For the Half year ended 30/09/2023	For the Half year ended 30/09/2022
Interest paid	93,864.19	61,643.08
Interest received	1,40,487.72	86,788.67

2. The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

3. Purchase of PPE represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the period.





**Notes:**

1. The above financial results have been prepared in the format specified in Division III of Schedule III of Companies Act, 2013 (the “Statement”) and are, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Operational Circular issued by SEBI vide its reference no. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103 dated 29th July 2022 as amended from time to time and in accordance with Indian Accounting Standards (“Ind AS”) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under Section 133 of the Companies Act 2013 (“the Act”) read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
2. The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on October 20, 2023. The Statutory Auditors have conducted audit and issued an unmodified opinion on the financial results for the quarter and half year ended September 30, 2023.
3. The Company is engaged primarily in the business of financing and operates within India. Accordingly, there are no separate reportable segments as per Ind AS 108 - Operating Segment.
4. In terms of the requirements as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (‘IRACP’) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at September 30, 2023 and accordingly, amount required to be transferred to impairment reserve if any, will be assessed at year end.
5. The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, there are few sections which were notified by the government. The Company has assessed the impact of the Code and concluded that it has no financial impact during the period under review.





6. Disclosure pursuant to RBI Notification - RBI/2021-22/47 DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 and RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 amended from time to time:-

**Format – B: For the half year ended September 30, 2023**

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) <sup>1</sup>	(B) Of (A), aggregate debt that slipped into NPA during the half-year <sup>2</sup>	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year <sup>3</sup>	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	457.71	151.26	-	3.36	303.08
Corporate persons*	769.92	593.66	-	15.23	163.09
Of which, MSMEs	-	-	-	-	-
Others	762.14	10.34	11.41	27.77	727.56
<b>Total</b>	<b>1,989.77</b>	<b>755.26</b>	<b>11.41</b>	<b>46.36</b>	<b>1,193.73</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

1. Amount outstanding as on March 31, 2023

2. Amount outstanding as on September 30, 2023

3. Any increase in exposure due to the fact that EMI has not been serviced on September 30, 2023 but after that, has not considered in the reporting.





7. The following table sets forth, for the period indicated, disclosure RBI Circular - RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 with respect to details of loans transferred through sell-down and direct assignment:-

Particulars	To Banks	To Others	Total
Number of loans sold	4,839	555	5,394
Aggregate amount (₹ in Lakhs)	74,406.44	36,222.19	1,10,628.63
Sale consideration (₹ in Lakhs)	74,406.44	36,222.19	1,10,628.63
Number of transactions	6	4	10
Weighted average maturity in months (remaining)	141.36	223.68	168.31
Weighted average holding period in months (after origination)	13.28	11.72	12.77
Retention of beneficial economic interest (average)	11%	10%	11%
Coverage of tangible security coverage	100% to 167%	100%	100% to 167%
Rating wise distribution of rated loans	N.A.	N.A.	N.A.
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NIL	NIL	NIL
Number of transferred loans replaced	N.A.	N.A.	N.A.

- a) The Company has not transferred any non-performing assets (NPAs).  
b) The Company has not transferred any Special Mention Account (SMA) and loan in default.  
c) The Company has not acquired any loans in default or not in default through assignment.  
d) The Company has not acquired any stressed loan.
8. Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 30, 2023 is attached as **Annexure 1**.
9. The results for the quarter and half year ended September 30, 2023 are available on the BSE Ltd website [www.bseindia.com](http://www.bseindia.com) and the Company's website [www.axisfinance.in](http://www.axisfinance.in)
10. Previous period / year figures have been regrouped / rearranged wherever necessary to conform to the current period/year figures.

For and on behalf of Board of Directors  
AXIS FINANCE LIMITED

Bipin Kumar Saraf  
Managing Director & CEO  
DIN: 06416744  
Place: Kolkata  
Date: October 20, 2023





**Annexure 1**

- 1) Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2023 are being utilized as per the objects stated in the offer document. Further we also confirm that there have been no deviations, in the use of proceeds of issue of NCDs from the objects stated in the offer document.
- 2) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2023 are fully secured by first pari passu charge created over the freehold immovable properties, current assets, cash flows and receivables of the Company. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/Information Memorandum.
- 3) Disclosure as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015

Sr No.	Particulars	Quarter ended September 30, 2023	Quarter ended September 30, 2022
1	Debt - Equity Ratio	6.67	6.49
2	Debt service coverage ratio	Not applicable	Not applicable
3	Interest service coverage ratio	Not applicable	Not applicable
4	Outstanding redeemable preference shares (quantity and value)	Not applicable	Not applicable
5	Capital redemption reserve/debenture redemption reserve	Not applicable	Not applicable
6	Net worth as on (in ₹ Lakhs)	3,45,198.28	2,75,650.90
7	Net profit after tax for the quarter ended (in ₹ Lakhs)	13,540.18	15,035.05
8	Earnings per share for the quarter ended (in ₹) (not annualised)	2.29	2.61
9	Current ratio	Not applicable	Not applicable
10	Long term debt to working capital	Not applicable	Not applicable
11	Bad debts to Account receivable ratio	Not applicable	Not applicable
12	Current liability ratio	Not applicable	Not applicable
13	Total debts to total assets	0.85	0.84
14	Debtor's turnover	Not applicable	Not applicable
15	Inventory turnover	Not applicable	Not applicable
16	Operating margin (%)	Not applicable	Not applicable
17	Net profit margin (%) for the quarter ended	18.12%	26.23%
18	Sector specific equivalent ratios as on		
	a) Gross Stage 3 asset	0.52%	0.85%
	b) Net Stage 3 asset	0.26%	0.36%
	c) CRAR	17.77%	19.21%
	d) Liquidity Coverage Ratio	149.24%	155.24%

1) Net worth = Equity Share Capital + Other Equity

2) Ratios for the quarter ended are not annualised.





Series – AFL 06/2023-24

Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2023

Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only

**Audited Balance Sheet, Profit & Loss as on 31.03.2023**

**AXIS FINANCE LIMITED**

Balance Sheet as at March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	75,516.06	34,585.53
Bank balance other than cash and cash equivalents	4a	-	183.13
Derivative financial instruments	13	-	407.28
Receivables	5		
a) Trade Receivables		13.88	601.98
b) Other Receivables		-	-
Loans	6	27,00,624.96	16,08,309.70
Investments	7	90,932.59	68,923.83
Other financial assets	8	13,630.24	1,075.45
<b>Sub-total-Financial Assets</b>		<b>23,80,717.73</b>	<b>17,14,086.90</b>
<b>Non-Financial Assets</b>			
Current Tax Assets (net)	9	7,465.77	3,261.56
Deferred Tax Assets (net)	9	7,972.24	8,811.62
Property, plant and equipment	10	612.89	414.11
Intangible assets under development	11	13.44	252.16
Other Intangible Assets	11	1,375.47	1,320.65
Right-of-use assets	39	1,584.80	2,457.14
Other non-financial assets	12	983.37	1,037.60
<b>Sub-total-Non-Financial Assets</b>		<b>20,007.98</b>	<b>17,554.84</b>
<b>Total - Assets</b>		<b>24,00,725.71</b>	<b>17,31,641.74</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Payables	14		
i) Trade Payables			
a) total outstanding dues to micro and small enterprises		-	18.62
b) total outstanding dues of creditors other than micro and small enterprises		208.49	409.87
ii) Other Payables			
a) total outstanding dues to micro and small enterprises		269.47	239.04
b) total outstanding dues of creditors other than micro and small enterprises		3,381.30	1,650.63
Debt securities	15	7,96,355.45	8,25,213.20
Borrowings (Other than debt securities)	16	10,50,807.34	5,49,456.66
Subordinated Liabilities	17	1,53,020.77	98,956.16
Lease Liabilities	39	1,658.52	2,612.55
Other financial liabilities	18	70,668.81	28,602.83
<b>Sub-total-Financial Liabilities</b>		<b>20,76,370.15</b>	<b>15,07,159.56</b>
<b>Non-Financial liabilities</b>			
Current tax liabilities (net)	9	3,364.94	2,418.79
Provisions	19	2,928.78	1,986.48
Other non-financial liabilities	20	904.75	964.16
<b>Sub-total-Non-Financial Liabilities</b>		<b>7,198.47</b>	<b>5,369.43</b>
<b>Total - Liabilities</b>		<b>20,83,568.62</b>	<b>15,12,528.99</b>
<b>EQUITY</b>			
Equity share capital	21	59,081.39	53,851.25
Other equity	22	2,58,075.70	1,65,261.50
<b>Total - Equity</b>		<b>3,17,157.09</b>	<b>2,19,112.75</b>
<b>Total - Liabilities and Equity</b>		<b>24,00,725.71</b>	<b>17,31,641.74</b>

Significant accounting policies and notes to the financial statements  
The accompanying notes form an integral part of the financial statements

As per our attached report of even date  
For Singh & Co.  
Chartered Accountants  
ICAI Firm Registration No. 302049E

Shweta Singhal  
Partner  
Membership No.: 414420  
Place of Signature: Mumbai  
Date: April 13, 2023

For B.K.Khare & Co.  
Chartered Accountants  
ICAI Firm Registration No. 105102W

Aniruddha Joshi  
Partner  
Membership No.: 040852  
Place of Signature: Mumbai  
Date: April 13, 2023

For and on behalf of the board of Axis Finance Limited

Amitabh Chaudhry  
Chairman  
DIN No: 00531120

Bipin Kumar Saraf  
Managing Director  
DIN No: 06416744

Amith Iyer  
Chief Financial Officer  
Membership No: 51849

Rajneesh Kumar  
Company Secretary  
Membership No: A31230  
Date: April 13, 2023



**AXIS FINANCE LIMITED**

Statement of Profit and Loss for the year ended March 31, 2023  
 (All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	23	2,13,624.87	1,37,223.20
Fees and commission income	23a	4,325.83	624.94
Net gain on fair value changes	24	575.39	2,434.74
Net gain/(loss) on derecognition of financial instruments under amortised cost category		14,132.15	3,055.01
<b>Total Revenue from operations</b>		<b>2,32,658.24</b>	<b>1,43,337.89</b>
Other Income		-	-
<b>Total income</b>		<b>2,32,658.24</b>	<b>1,43,337.89</b>
<b>Expenses</b>			
Finance Costs	25	1,19,638.64	69,735.55
Impairment on financial instruments	26	6,534.16	7,287.83
Employee benefits expenses	27	19,250.00	13,495.12
Depreciation, amortization and impairment	28	1,556.74	1,019.27
Others expenses	29	8,336.99	5,396.93
<b>Total expenses</b>		<b>1,55,316.53</b>	<b>96,934.70</b>
<b>Profit before exceptional items and tax</b>		<b>77,341.71</b>	<b>46,403.19</b>
Exceptional Items		-	-
<b>Profit before taxes</b>		<b>77,341.71</b>	<b>46,403.19</b>
Tax expenses			
- Current Tax		18,638.61	13,006.87
- Deferred Tax		792.95	(1,237.62)
<b>Profit for the year</b>		<b>57,910.15</b>	<b>34,633.94</b>
<b>Other Comprehensive Income</b>			
(A) Items that will not be reclassified to profit and loss			
-Re-measurements of net defined benefit plans		190.84	(4.06)
-Income tax impact		48.03	(1.02)
<b>Sub-total (A)</b>		<b>142.81</b>	<b>(3.04)</b>
(B) Items that will be reclassified to profit and loss			
-Fair value changes on derivative designated as cash flow hedge		(6.39)	6.39
-Income tax impact		(1.61)	1.61
<b>Sub-total (B)</b>		<b>(4.78)</b>	<b>4.78</b>
<b>Other Comprehensive Income/(Loss) (A+B)</b>		<b>138.03</b>	<b>1.74</b>
<b>Total Comprehensive Income for the year</b>		<b>58,048.18</b>	<b>34,635.68</b>
<b>Paid-up Equity share capital (Face Value of ₹ 10 each)</b>		<b>59,081.39</b>	<b>53,851.25</b>
<b>Earnings per equity share</b>			
Basic (₹)		10.12	7.08
Diluted (₹)		10.12	7.08
Significant accounting policies and notes to the financial statements	2-85		

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For Singhi & Co.**

Chartered Accountants

ICAI Firm Registration No. 302049E

*Shweta Singh*

**Shweta Singh**

Partner

Membership No.: 414420

Place of Signature: Mumbai

Date: April 13, 2023

**For B.K.Khare & Co.**

Chartered Accountants

ICAI Firm Registration No.105102W

*Anirudha Joshi*

**Anirudha Joshi**

Partner

Membership No.: 040852

Place of Signature: Mumbai

Date: April 13, 2023

For and on behalf of the board of Axis Finance Limited

*Amitabh Chaudhry*

**Amitabh Chaudhry**

Chairman

DIN No: 00531120

*Bipin Kumar Saraf*

**Bipin Kumar Saraf**

Managing Director

DIN No: 06416744

*Amith Iyer*

**Amith Iyer**

Chief Financial Officer

Membership No: 51849

*Rajneesh Kumar*

**Rajneesh Kumar**

Company Secretary

Membership No: A31230

Date: April 13, 2023



## Audited Balance Sheet, Profit & Loss as on 31.03.2022

### AXIS FINANCE LIMITED

#### Balance Sheet as at March 31, 2022

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	14,585.53	5,067.80
Bank balance other than cash and cash equivalents	4a	183.13	174.53
Derivative financial instruments	13	407.28	-
Receivables	5		
a) Trade Receivables		601.98	519.66
b) Other Receivables		-	-
Loans	6	16,09,289.91	10,09,219.51
Investments	7	88,923.83	89,717.57
Other financial assets	8	1,075.45	219.44
<b>Sub-total-Financial Assets</b>		<b>17,15,067.11</b>	<b>11,04,918.51</b>
<b>Non-Financial Assets</b>			
Current Tax Assets (net)	9	842.77	4,330.94
Deferred Tax Assets (net)	9	8,811.62	7,574.59
Property, plant and equipment	10	414.11	198.08
Intangible assets under development	11	252.16	485.83
Other Intangible Assets	11	1,320.65	962.17
Right-of-use assets	39	2,457.14	1,687.01
Other non-financial assets	12	1,037.60	356.71
<b>Sub-total-Non-Financial Assets</b>		<b>15,136.05</b>	<b>15,595.33</b>
<b>Total - Assets</b>		<b>17,30,203.16</b>	<b>11,20,513.84</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Payables	14		
i) Trade Payables			
a) total outstanding dues to micro and small enterprises		18.62	3.73
b) total outstanding dues of creditors other than micro and small enterprises		409.37	136.50
ii) Other Payables			
a) total outstanding dues to micro and small enterprises		239.04	16.66
b) total outstanding dues of creditors other than micro and small enterprises		1,650.63	722.33
Debt securities	15	8,25,213.20	7,88,898.01
Borrowings (Other than debt securities)	16	5,49,456.66	1,14,480.73
Subordinated Liabilities	17	98,956.16	59,990.04
Lease Liabilities	39	2,612.55	1,749.08
Other financial liabilities	18	28,602.83	7,122.81
<b>Sub-total-Financial Liabilities</b>		<b>15,07,159.56</b>	<b>9,73,119.89</b>
<b>Non-Financial liabilities</b>			
Provisions	19	1,986.48	1,299.60
Other non-financial liabilities	20	1,944.37	1,846.31
<b>Sub-total-Non-Financial Liabilities</b>		<b>3,930.85</b>	<b>3,145.90</b>
<b>Total-liabilities</b>		<b>15,11,090.41</b>	<b>9,76,265.79</b>
<b>EQUITY</b>			
Equity share capital	21	53,851.25	48,225.00
Other equity	22	1,65,261.50	96,023.05
<b>Total - Equity</b>		<b>2,19,112.75</b>	<b>1,44,248.05</b>
<b>Total - Liabilities and Equity</b>		<b>17,30,203.16</b>	<b>11,20,513.84</b>

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No.302049F

  
Nikhil Singh

Partner

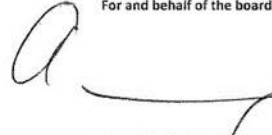
Membership No.: 061567


Place of Signature: Mumbai


Date: April 14, 2022




For and behalf of the board of Axis Finance Limited

  
Amitabh Chaudhry  
Chairman  
DIN No: 00531120

  
Bipin Kumar Saraf  
Managing Director  
DIN No: 06416744

  
Amith Iyer  
Chief Financial Officer  
Membership No: 51849

  
Rajneesh Kumar  
Company Secretary  
Membership No: A31230

Place of Signature: Mumbai  
Date: April 14, 2022



**AXIS FINANCE LIMITED**

**Statement of Profit and Loss for the year ended March 31, 2022**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from operations</b>			
Interest Income	23	1,44,952.75	1,01,494.00
Fees and commission Income	23a	624.94	122.78
Net gain on fair value changes	24	2,434.74	1,299.69
Net gain/(loss) on derecognition of financial instruments under amortised cost category		3,055.01	-
<b>Total Revenue from operations</b>		<b>1,51,067.45</b>	<b>1,02,916.47</b>
Other income		-	-
<b>Total income</b>		<b>1,51,067.45</b>	<b>1,02,916.47</b>
<b>Expenses</b>			
Finance Costs	25	69,218.46	48,976.85
Impairment on financial instruments	26	7,287.83	12,121.14
Employee benefits expenses	27	13,495.12	8,890.50
Depreciation, amortization and impairment	28	1,019.27	581.16
Others expenses	29	13,643.57	6,114.01
<b>Total expenses</b>		<b>1,04,664.25</b>	<b>76,683.66</b>
<b>Profit before exceptional items and tax</b>		<b>46,403.19</b>	<b>26,232.81</b>
Exceptional Items		-	-
<b>Profit before taxes</b>		<b>46,403.19</b>	<b>26,232.81</b>
Tax expenses (Refer Note 9)			
- Current Tax		13,006.87	7,726.17
- Deferred Tax		(1,237.62)	(955.38)
<b>Profit for the year</b>		<b>34,633.94</b>	<b>19,462.02</b>
<b>Other Comprehensive Income</b>			
(A) Items that will not be reclassified to profit and loss			
- Re-measurements of net defined benefit plans		(4.06)	2.89
- Income tax impact		(1.02)	0.73
Sub-total (A)		(3.04)	2.16
(B) Items that will be reclassified to profit and loss			
- Fair value changes on derivative designated as cash flow hedge		6.39	-
- Income tax impact		1.61	-
Sub-total (B)		4.78	-
<b>Other Comprehensive Income/(Loss) (A+B)</b>		<b>1.74</b>	<b>2.16</b>
<b>Total Comprehensive Income for the year</b>		<b>34,635.68</b>	<b>19,464.18</b>
<b>Earnings per equity share (Refer Note 35)</b>			
Basic (₹)		7.08	4.04
Diluted (₹)		7.08	4.04


The accompanying notes form an integral part of financial statements

As per our attached report of even date

**For Singhi & Co.**

Chartered Accountants

ICAI Firm Registration No. 302809C

  
Nikhil Singh  
Partner

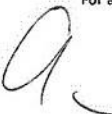
Membership No.: 061567


Place of Signature: Mumbai

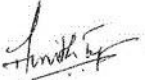
Date: April 14, 2022

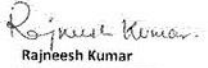


**For and behalf of the board of Axis Finance Limited**

  
Amitabh Chaudhry  
Chairman  
DIN No: 00531120

  
Bipin Kumar Saraf  
Managing Director  
DIN No: 06416744

  
Amith Iyer  
Chief Financial Officer  
Membership No: 51849

  
Rajneesh Kumar  
Company Secretary  
Membership No: A31230

Place of Signature: Mumbai  
Date: April 14, 2022



**Audited Balance Sheet, Profit & Loss as on 31.03.2021**

**AXIS FINANCE LIMITED**

**Balance Sheet as at March 31, 2021**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	5,067.80	16,202.03
Bank Deposits other than Cash and cash equivalents		174.53	178.51
Trade Receivables	5	519.66	683.41
Loans	6	10,09,219.51	7,54,544.33
Investments	7	89,717.57	9,027.93
Other financial assets	10	219.44	86.72
<b>Sub-total-Financial Assets</b>		<b>11,04,918.51</b>	<b>7,80,722.93</b>
<b>Non-Financial Assets</b>			
Current Tax Assets (net)	36	5,022.08	4,396.54
Deferred Tax Assets (net)	36	7,574.59	6,619.93
Property, plant and equipment	8	198.08	219.61
Other intangible Assets	9	1,448.00	1,408.36
Right-of-use assets	38	1,687.01	360.28
Other non-financial assets	11	356.71	237.96
<b>Sub-total-Non-Financial Assets</b>		<b>16,286.47</b>	<b>13,242.68</b>
<b>Total - Assets</b>		<b>11,21,204.98</b>	<b>7,93,965.61</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Debt securities	12	7,88,808.01	3,80,677.80
Borrowings (Other than debt securities)	13	1,14,480.73	2,29,442.06
Subordinated Liabilities	14	59,990.04	52,916.72
Lease Liabilities	38	1,749.08	372.87
Other financial liabilities	15	7,554.18	3,536.24
<b>Sub-total-Financial Liabilities</b>		<b>9,73,072.04</b>	<b>6,66,945.69</b>
<b>Non-Financial liabilities</b>			
Provisions	16	2,038.58	1,204.05
Other non-financial liabilities	17	1,846.31	1,358.61
<b>Sub-total-Non-Financial Liabilities</b>		<b>3,884.89</b>	<b>2,562.66</b>
<b>Total-Liabilities</b>		<b>9,76,956.93</b>	<b>6,69,508.35</b>
<b>EQUITY</b>			
Equity share capital	18	48,225.00	48,225.00
Other equity	19	96,023.05	76,232.26
<b>Total - Equity</b>		<b>1,44,248.05</b>	<b>1,24,457.26</b>
<b>Total - Liabilities and Equity</b>		<b>11,21,204.98</b>	<b>7,93,965.61</b>

As per our attached report of even date  
For S.R. BATUBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E/E300005

  
per Viren H. Mehra  
Partner  
Membership No.: 048749  
Place of Signature: Mumbai  
Date: April 16, 2021



For and behalf of the board of Axis Finance Limited

  
Amitabh Chaudhry  
Chairman  
DIN No: 00531120  
  
Anish Iyer  
Chief Financial Officer

  
Bipin Kumar Saraf  
Managing Director  
DIN No: 06416744

  
Rajneesh Kumar  
Company Secretary  
Membership No: A31230





# AXIS FINANCE LIMITED

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

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	20	1,01,473.77	99,401.10
Net gain on fair value changes		1,299.69	143.07
Others	21	145.01	474.22
Total Revenue from operations		1,02,918.47	1,00,018.39
Other income	22	-	51.90
Total income		1,02,918.47	1,00,070.29
Expenses			
Finance Costs	23	48,976.85	52,032.65
Impairment on financial instruments	24	12,121.14	14,083.03
Employee benefits expenses	25	8,892.50	5,530.70
Depreciation, amortization and impairment	26	581.25	401.19
Others expenses	27	6,113.92	3,979.02
Total expenses		76,685.66	76,027.59
Profit before exceptional items and tax		26,232.81	24,042.70
Exceptional items		-	-
Profit before taxes		26,232.81	24,042.70
Tax expenses			
- Current Taxes	36	7,726.17	9,263.71
- Deferred Taxes	35	(855.38)	(1,590.36)
Profit for the year		19,462.02	14,869.85
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of net defined benefit plans		2.89	(44.60)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.73	(11.24)
Sub-total (A)		3.62	(55.84)
B (i) Items that will be reclassified to profit or loss		-	-
Sub-total (B)		-	-
Other Comprehensive Income (A+B)		3.62	(55.84)
Total Comprehensive Income for the year		19,465.64	14,814.01
Paid-up Equity share capital (Face Value of ₹ 10 each)		48,225.00	48,225.00
Earnings per equity share			
(Basic (₹))		4.04	3.39
(Diluted (₹))		4.04	3.39

The accompanying notes are forming part of financial statements  
As per our attached report of even date

For S.J. BATUBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration No. 30100010/1300005

per Viren H. Mehta  
Partner  
Membership No.: 048749  
Place of Signature: Mumbai  
Date: April 16, 2021



For and behalf of the board of Axis Finance Limited

Anish Chaudhry  
Chairman  
DIN No: 00531120

Rajesh Kumar Sarda  
Managing Director  
DIN No: 06416744



Anish Iyer  
Chief Financial Officer

Rajesh Kumar  
Company Secretary  
Membership No: A312



**Annexure B – Audited Cash Flow Statement for three immediately preceding years**

(in crores)

Particulars	For the period ended as on 31 <sup>st</sup> March 2023 (Audited)*	For the period ended as on 31 <sup>st</sup> March 2022 (Audited)*	For the period ended as on 31 <sup>st</sup> March 2021 (Audited)*	For the period ended as on 31 <sup>st</sup> March 2020 (Audited)*
A. Cash flow from operating activities				
Profit before tax	773.41	464.03	262.33	240.23
Adjustments for:	0			
Depreciation, amortization and impairment (other than right-of-use assets)	7.67	6.26	4.3	3.69
Depreciation expense of right-of-use assets	7.87	3.93	1.51	0.32
Net gain on fair value changes	-5.75	-24.35		
Reversal of Provisions		-	-	-0.32
Profit on sale of investment		0.00	-13	-1.43
Impairment on financial instruments	65.34	72.88	121.21	140.83
Employee Stock Option	0.59	2.85	3.27	2.22
Interest on Lease deposit	-0.36	-0.11	-0.05	-0.01
Amortisation of Lease rental	0.39	0.15	0.07	0.01
Provision for expenses	17.61	11.51	4.26	1.82
Provision for Employee Benefit expense	9.42	6.87	12.54	7.68
Interest income from investments (at amortised cost)	-59.78	-57.00	-24.9	-11.26
Interest income from investments (FVTPL)	-16.58			
Operating profit before working capital changes	799.83	487.01	371.54	383.79
Movement in working capital:				
Decrease/(increase) in Bank Deposits	1.83	-0.09	0.04	0.28
Decrease/(increase) in Trade Receivables	5.88	-0.77	1.71	-1.86
Decrease/(increase) in Loans	-5987.87	-6,074.83	-2,666.26	240.13
Decrease/(increase) in Derivative financial instruments	4.07	-4.07		
Decrease/(increase) in Other financial assets	-125.57	-8.60	-1.35	-0.76
Decrease/(increase) in Right-of-use assets	0.85	-11.63	-14.78	-3.93
Decrease/(increase) in Other non-financial assets	0.54	-6.81	-1.19	-1.06
Decrease/(increase) Debt securities		-	4,082.20	-67.52



Series – AFL 06/2023-24  
Security Name – 8.28% Unsecured NCDs, Axis Finance  
Limited, 2033

Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only

Decrease/(increase) Borrowings (Other than debt securities)		-	-1,149.61	-178.1
Increase/(decrease) Subordinated Liabilities		-	70.73	0.15
Increase/(decrease) in Trade Payables	6.8	11.27		
Increase/(decrease) in Lease Liabilities	-2.43	11.15	15.38	4.07
Increase/(decrease) in Other financial liabilities	429.26	217.92	44.18	27.58
Increase/(decrease) in Provisions	-15.7	-11.55	-8.43	-5.8
Increase/(decrease) in Other non-financial liabilities	-0.65	1.04	4.88	-0.32
Cash generated from operations	-4883.15	-5,389.94	749.04	396.65
Income tax paid	-218.96	-95.19	-83.52	-106.42
Net cash flow from operating activities (A)	-5102.11	-5,485.13	665.52	290.23
B. Cash flow from investing activities				
Interest income from investments (at amortised cost)	81.18	60.15	10.26	11.23
Purchase of Property, plant and equipment	-4.15	-3.78	-0.93	-1.87
Purchase for Intangibles	-3.85	-5.89	-3.56	-3.68
Interest income from investments (FVTPL)	16.09			
Sale of Intangibles	0.18			
Sales of investment at Amortised Cost	207.91	15,341.11	36.00	9
Purchase of investment at Amortised Cost	-383.30	-15,485.24	-680.00	-
Proceeds from sale of investment at FVTPL	2912.96	563.96	1,289.04	3,399.64
Purchase of investment at FVTPL	-2973.42	-189.50	-1,426.05	-3,398.21
Net cash flow from investing activities(B)	-146.41	280.8	-775.24	16.11
C. Cash flow from financing activities				
Payment towards Lease Liability towards Lease Liability	-7.1	-2.51	-1.62	-0.34



Series – AFL 06/2023-24  
Security Name – 8.28% Unsecured NCDs, Axis Finance  
Limited, 2033

Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only

Particulars	For the period ended as on 31 <sup>st</sup> March 2023 (Audited)*	For the period ended as on 31 <sup>st</sup> March 2022 (Audited)*	For the period ended as on 31 <sup>st</sup> March 2021 (Audited)*	For the period ended as on 31 <sup>st</sup> March 2020 (Audited)*
Increase/(decrease) in Debt securities	-288.58	363.15		
Increase/(decrease) in Borrowings (Other than debt securities)	5013.51	4,349.76		
Increase/(decrease) in Subordinated Liabilities	540.65	389.66		
Proceeds from issue of Equity Shares	399.37	399.44		
Payment of dividend		-	-	-120.19
Payment of Dividend Distribution Tax		-	-	-24.7
Net cash flow from financing activities(C)	5657.83	5,499.50	-1.62	-145.23
Net increase/(decrease) in cash and equivalents(A+B+C)	409.31	295.18	-111.34	161.11
Cash and cash equivalents at the beginning of the year	345.86	50.68	162.02	0.91
Cash and cash equivalents at the end of the year	755.16	345.86	50.68	162.02
Note:				
Cash and cash equivalents includes:				
Cash		-	-	-
Balance with banks	755.16	345.86	50.68	162.02
Bank Overdraft	207.91	15,341.11		

**\*Financials are reported under IND AS**



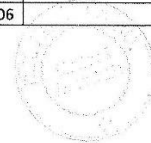
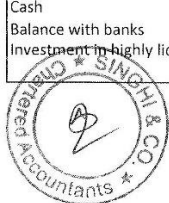
**Audited Cash Flow Statement for the year ended as on 31.03.2023**

**AXIS FINANCE LIMITED**

**Statement of Cash Flows for the year ended March 31, 2023**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit before tax	77,341.71	46,403.19
Adjustments for:		
Depreciation, amortization and impairment (other than right-of-use assets)	767.60	626.35
Depreciation expense of right-of-use assets	787.09	392.93
Net gain on fair value changes	(575.39)	(2,434.74)
Impairment on financial instruments	6,534.16	7,287.83
Employee Stock Option	59.54	284.63
Interest on Lease deposit	(35.95)	(10.93)
Amortisation of Lease rental	39.10	14.54
Provision for expenses	1,761.10	1,150.68
Provision for Employee Benefit expense	942.30	686.88
Interest income from investments (at amortised cost)	(5,978.96)	(5,497.77)
Interest income from investments (FVTPL)	(1,658.67)	(202.25)
<b>Operating profit before working capital changes</b>	<b>79,983.63</b>	<b>48,701.34</b>
Movement in working capital:		
Decrease/(increase) in Bank Deposits	183.13	(8.60)
Decrease/(increase) in Derivative financial instruments	407.28	(407.28)
Decrease/(increase) in Trade Receivables	588.09	(77.04)
Decrease/(increase) in Loans	(5,98,786.69)	(6,07,482.68)
Decrease/(increase) in Other financial assets	(12,557.94)	(859.62)
Decrease/(increase) in Right-of-use assets	85.25	(1,163.06)
Decrease/(increase) in Other non-financial assets	54.23	(680.89)
(Decrease)/increase in Lease Liabilities	(243.19)	1,114.70
(Decrease)/increase in Trade Payables	680.95	1,126.98
(Decrease)/increase in Other financial liabilities	42,926.13	21,791.99
(Decrease)/increase in Provisions	(1,570.27)	(1,154.74)
(Decrease)/increase in Other non-financial liabilities	(65.80)	104.45
<b>Cash generated from operations</b>	<b>(4,88,315.20)</b>	<b>(5,38,994.45)</b>
Income tax paid	(21,896.67)	(9,518.70)
<b>Net cash flow from operating activities (A)</b>	<b>(5,10,211.87)</b>	<b>(5,48,513.15)</b>
<b>B. Cash flow from investing activities</b>		
Interest income from investments (at amortised cost)	8,117.62	5,812.47
Interest income from investments (FVTPL)	1,609.26	202.25
Sale of Intangibles	18.00	-
Purchase for Intangibles	(384.99)	(589.32)
Purchase of Property, plant and equipment	(415.49)	(377.94)
Sale of investment at Amortised Cost	20,791.00	15,34,111.37
Purchase of investment at Amortised Cost	(38,329.83)	(15,48,524.09)
Proceeds from sale of investment at FVTPL	2,91,295.57	56,395.65
Purchase of investment at FVTPL	(2,97,342.14)	(18,949.95)
<b>Net cash flow from investing activities(B)</b>	<b>(14,640.99)</b>	<b>28,080.44</b>
<b>C. Cash flow from financing activities</b>		
Increase/(decrease) in Debt securities	(28,857.75)	36,315.18
Increase/(decrease) in Borrowings (Other than debt securities)	5,01,350.75	4,34,976.01
Increase/(decrease) in Subordinated Liabilities	54,064.61	38,966.11
Proceeds from issue of Equity Shares (net of share issue expenses)	39,936.62	39,944.38
Payment towards Lease Liability	(710.84)	(251.24)
<b>Net cash flow from financing activities(C)</b>	<b>5,65,783.39</b>	<b>5,49,950.44</b>
<b>Net increase/(decrease) in cash and equivalents(A+B+C)</b>	<b>40,930.53</b>	<b>29,517.73</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>34,585.53</b>	<b>5,067.80</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>75,516.06</b>	<b>34,585.53</b>
<b>Cash</b>		
Balance with banks	45,536.59	14,585.53
Investment in highly liquid securities	29,979.47	20,000.00
	<b>75,516.06</b>	<b>34,585.53</b>





AXIS FINANCE LIMITED

Statement of Cash Flows for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Additional disclosure pursuant to IND AS 7		
Opening balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities including interest accrued	14,73,626.02	9,63,368.79
Cash flows	5,26,557.61	5,10,257.31
Fair value adjustments	-	(0.08)
Closing balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities	20,00,183.63	14,73,626.02

1. Net cash generated from operating activity is determined after adjusting the following:

Operational cash flows from interest	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest paid	1,21,778.02	81,331.35
Interest received	2,06,538.73	1,40,916.32

2. The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.

3. Purchase of PPE represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the period.

The accompanying notes form an integral part of the financial statements

As per our attached report of even date  
For Singhi & Co.  
Chartered Accountants  
ICAI Firm Registration No. 302049E

Shweta Singhal  
Partner  
Membership No.: 414420  
Place of Signature: Mumbai  
Date: April 13, 2023

For B.K.Khare & Co.  
Chartered Accountants  
ICAI Firm Registration No.105102W

Aniruddha Joshi  
Partner  
Membership No.: 040852  
Place of Signature: Mumbai  
Date: April 13, 2023

For and on behalf of the board of Axis Finance Limited

Amitabh Chaudhry  
Chairman  
DIN No: 00531120

Bipin Kumar Saraf  
Managing Director  
DIN No: 06416744

Amith Iyer  
Chief Financial Officer  
Membership No: 51849

Rajneesh Kumar  
Company Secretary  
Membership No: A31230  
Date: April 13, 2023



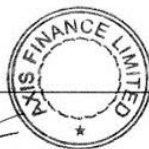
**Audited Cash Flow Statement for the year ended as on 31.03.2022**

**AXIS FINANCE LIMITED**

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	46,403.19	26,232.81
Adjustments for:		
Depreciation, amortization and impairment (other than right-of-use assets)	626.35	429.98
Depreciation expense of right-of-use assets	392.93	151.27
Net gain on fair value changes	(2,434.74)	(1,299.69)
Impairment on financial instruments	7,287.83	12,121.14
Employee Stock Option	284.63	326.61
Interest on Lease deposit	(10.93)	(4.85)
Amortisation of Lease rental	14.54	6.67
Provision for expenses	1,150.68	426.34
Provision for Employee Benefit expense	686.88	1,253.97
Interest income from investments (at amortised cost)	(5,497.77)	(2,490.05)
Interest income from investments (FVTPL)	(202.25)	-
<b>Operating profit before working capital changes</b>	<b>48,701.34</b>	<b>37,154.20</b>
Movement in working capital:		
Decrease/(increase) in Bank Deposits	(8.60)	3.99
Decrease/(increase) in Derivative financial instruments	(407.28)	-
Decrease/(increase) in Trade Receivables	(77.04)	170.60
Decrease/(increase) in Loans	(6,07,482.68)	(2,66,626.95)
Decrease/(increase) in Other financial assets	(859.62)	(134.55)
Decrease/(increase) in Right-of-use assets	(1,163.06)	(1,478.00)
Decrease/(increase) in Other non-financial assets	(680.89)	(118.75)
Increase/(decrease) in Lease Liabilities	1,114.70	1,538.46
Increase/(decrease) in Trade Payables	1,126.98	477.10
Increase/(decrease) in Other financial liabilities	21,791.99	4,365.36
Increase/(decrease) in Provisions	(1,154.74)	(1,267.42)
Increase/(decrease) in Other non-financial liabilities	104.45	487.69
<b>Cash generated from operations</b>	<b>(5,38,994.45)</b>	<b>(2,25,428.27)</b>
Income tax paid	(9,518.70)	(8,351.70)
<b>Net cash flow from operating activities (A)</b>	<b>(5,48,513.15)</b>	<b>(2,33,779.97)</b>
<b>B. Cash flow from investing activities</b>		
Interest income from investments (at amortised cost)	5,812.47	1,026.43
Interest income from investments (FVTPL)	202.25	-
Purchase of Property, plant and equipment	(377.94)	(92.56)
Purchase for Intangibles	(589.32)	(355.50)
Sales of investment at Amortised Cost	15,34,111.37	3,600.00
Purchase of investment at Amortised Cost	(15,48,524.09)	(68,001.66)
Proceeds from sale of investment at FVTPL	36,395.65	1,28,904.18
Purchase of investment at FVTPL	(18,949.95)	(1,42,605.11)
<b>Net cash flow from investing activities(B)</b>	<b>8,080.43</b>	<b>(77,524.22)</b>
<b>C. Cash flow from financing activities</b>		
Increase/(decrease) in Debt securities	36,315.19	4,08,220.21
Increase/(decrease) in Borrowings (Other than debt securities)	4,34,976.01	(1,14,961.33)
Increase/(decrease) in Subordinated Liabilities	38,966.11	7,073.33
Proceeds from issue of Equity Shares	39,944.38	-
Payment towards Lease Liability	(251.24)	(162.25)
<b>Net cash flow from financing activities(C)</b>	<b>5,49,950.45</b>	<b>3,00,169.96</b>
<b>Net increase/(decrease) in cash and equivalents(A+B+C)</b>	<b>9,517.73</b>	<b>(11,134.23)</b>
Cash and cash equivalents at the beginning of the year	5,067.80	16,202.03
Cash and cash equivalents at the end of the year	14,585.53	5,067.80



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**AXIS FINANCE LIMITED**

**Statement of Cash Flows for the year ended March 31, 2022**

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash	0.00	0.03
Balance with banks	14,585.53	5,067.77
	14,585.53	5,067.80

**Additional disclosure pursuant to IND AS 7**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance of Debt Securities, borrowings (Other than debt securities and subordinated liabilities)	9,63,368.79	6,63,036.58
Cash flows	5,10,257.31	3,00,332.20
Fair value adjustments	(0.08)	-
Interest accrued on borrowings	-	-
Acquisitions	-	-
Closing balance of Debt Securities, borrowings (Other than debt securities and subordinated liabilities)	14,73,626.02	9,63,368.79

1. Net cash generated from operating activity is determined after adjusting the following:

Operational cash flows from interest	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest paid	81,331.35	21,736.51
Interest received	1,40,916.32	1,03,392.83

2. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

3. Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No.302049E



Nikhil Singhi  
Partner


Membership No.: 061567

Place of Signature: Mumbai

Date: April 14, 2022

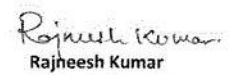


For and behalf of the board of Axis Finance Limited

  
 Amitabh Chaudhry  
 Chairman  
 DIN No: 00531120

  
 Bipin Kumar Saraf  
 Managing Director  
 DIN No: 06416744

  
 Amith Iyer  
 Chief Financial Officer  
 Membership No: 51849

  
 Rajneesh Kumar  
 Company Secretary  
 Membership No: A31230

Place of Signature: Mumbai  
 Date: April 14, 2022



**Audited Cash Flow Statement for the year ended as on 31.03.2021**

**AXIS FINANCE LIMITED**

Statement of Cash Flows for the year ended March 31, 2021

[All amounts are in rupees lakhs, except per share data and as stated otherwise]

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	26,232.81	24,822.70
Adjustments for:		
Depreciation, amortization and impairment (other than right-of-use assets)	429.98	368.74
Depreciation expense of right-of-use assets	151.27	32.45
Reversal of Provisions	-	(31.90)
Profit on sale of investment	(1,299.69)	(143.07)
Impairment on financial instruments	12,121.14	14,083.03
Employee Stock Option	326.61	222.32
Interest on Lease deposit	(4.85)	(1.02)
Amortisation of Lease rental	6.67	1.45
Provision for expenses	426.34	181.72
Provision for Employee Benefit expense	1,253.97	768.26
Interest income from investments (at amortised cost)	(2,490.05)	(1,125.89)
<b>Operating profit before working capital changes</b>	<b>37,154.19</b>	<b>38,378.79</b>
Movement in working capital:		
Decrease/(increase) in Bank Deposits	3.99	28.30
Decrease/(increase) in Trade Receivables	170.60	(185.93)
Decrease/(increase) in Loans	(2,66,626.95)	24,013.31
Decrease/(increase) in Other financial assets	(134.55)	(76.04)
Decrease/(increase) in Right-of-use assets	(1,478.00)	(392.73)
Decrease/(increase) in Other non-financial assets	(118.75)	(105.66)
Increase/(decrease) in Debt securities	4,08,220.21	(6,751.62)
Increase/(decrease) in Borrowings (Other than debt securities)	(1,14,961.33)	(17,809.84)
Increase/(decrease) in Subordinated Liabilities	7,073.33	14.66
Increase/(decrease) in Lease Liabilities	1,538.46	407.37
Increase/(decrease) in Other financial liabilities	4,417.93	2,757.58
Increase/(decrease) in Provisions	(842.89)	(580.03)
Increase/(decrease) in Other non-financial liabilities	487.69	(31.66)
<b>Cash generated from operations</b>	<b>74,903.94</b>	<b>39,666.50</b>
Income tax paid	(8,351.70)	(10,641.57)
<b>Net cash flow from operating activities (A)</b>	<b>66,552.23</b>	<b>29,024.93</b>
<b>B. Cash flow from investing activities</b>		
Interest income from investments (at amortised cost)	1,026.43	1,122.66
Purchase of Property, plant and equipment	(92.56)	(187.42)
Purchase for Intangibles	(355.50)	(368.26)
Sales of investment at Amortised Cost	3,600.00	900.00
Purchase of investment at Amortised Cost	(68,001.66)	-
Proceeds from sale of investment at FVTPL	1,28,904.18	3,39,564.07
Purchase of investment at FVTPL	(1,42,605.10)	(3,39,821.00)
<b>Net cash flow from investing activities (B)</b>	<b>(77,524.21)</b>	<b>1,610.06</b>
<b>C. Cash flow from financing activities</b>		
Payment towards Lease Liability	(162.25)	(34.50)
Payment of Dividend	-	(12,018.75)
Payment of Dividend Distribution Tax	-	(2,470.49)
<b>Net cash flow from financing activities (C)</b>	<b>(162.25)</b>	<b>(14,523.74)</b>
<b>Net increase/(decrease) in cash and equivalents (A+B+C)</b>	<b>(11,134.23)</b>	<b>16,111.24</b>
Cash and cash equivalents at the beginning of the year	16,202.03	90.79
Cash and cash equivalents at the end of the year	5,067.80	16,202.03





Series – AFL 06/2023-24  
Security Name – 8.28% Unsecured NCDs, Axis Finance  
Limited, 2033

Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only

**AXIS FINANCE LIMITED**

Statement of Cash Flows for the year ended March 31, 2021

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash	0.03	0.07
Balance with banks	5,067.77	16,201.96
	5,067.80	16,202.03

Operational cash flows from interest	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest paid	21,736.51	41,459.67
Interest received	1,01,392.81	90,938.19

1. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

As per our attached report of even date  
For S.R. BATUBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration No. 3010035/E300005

  
per Viren H. Mehta  
Partner  
Membership No.: 048749  
Place of Signature: Mumbai  
Date: April 16, 2021




For and behalf of the board of Axis Finance Limited

  
Amitabh Chaudhry  
Chairman  
DIN No: 00531100

  
Bipin Kumar Saraf  
Managing Director  
DIN No: 06416744

  
Anith Iyer  
Chief Financial Officer

  
Rajneesh Kumar  
Company Secretary  
Membership No: A31250





## Annexure C – Resolution passed by the Board of Directors

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON THURSDAY, APRIL 13, 2023 AT MUMBAI**

**Approval for the issuance of Non-Convertible securities / bonds on a private placement basis up to Rs. 24,000 crores**

**“RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and subject to approval of the members of the Company, pursuant to section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to the provisions of the Articles of Association of the Company, read with SEBI (Issue and Listing of Non-Convertible Securities), Regulations, 2021 read with circulars and clarifications issued by the Reserve Bank of India (RBI) as applicable to the Non- Banking Financial Companies (NBFC's) and subject to compliance with such other provisions of law as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) AND THAT subject to the approval of the shareholders of the Company, consent of the Board (or the Committee of the Directors (which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) be and is hereby accorded to raise funds time to time by way of making offer or invitation for subscription of secured/unsecured non-convertible debentures, subordinated debentures, bonds or any other debt securities (excluding Commercial paper) herein after to be referred as 'Debentures') up to Rs. 24,000 crores (Rupees Twenty-Four Thousand crores only) in one or more series / tranches to such investors who is eligible to subscribe the Debentures as prescribed under the Act or other applicable laws, rules and regulations and on such other terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company;

**RESOLVED FURTHER THAT** Mr. Bipin Kumar Saraf, MD & CEO, Mr. Kishore Babu Manda, Chief Risk Officer, Mr. Rajneesh Kumar, Company Secretary and Mr. Amith Iyer, Chief Financial Officer ('Authorized Persons') be and are hereby severally authorized to approve and finalize, sign, execute and deliver documents and do all such acts in relation to the issue of Debentures including but not limited to following:

- (i) approve of and to decide on the other terms and conditions applicable to the Debentures, and to vary any of the above-specified terms;
- (ii) finalize the appointment of merchant banker(s) to function as Lead Manager(s), Registrars, Debenture Trustees, Bankers to the Debenture Issue and such other intermediaries as may be required to be appointed and terms and conditions of their appointment, succession and their agents;
- (iii) determine the date of opening and closing of the Debenture Issue and the period for which the aforesaid issue will remain open;
- (iv) finalize the date of allotment and the allotment of the Debentures to the Subscriber;
- (v) execute, file and deliver all necessary documents, instruments including private placement offering circulars/memorandum and do all acts necessary in relation to issuance of the Debentures Issue;
- (vi) deal with the appropriate regulatory authorities in connection with the Debenture Issue including but not limited to, Registrar of Companies, Reserve Bank of India, Ministry of Corporate Affairs, Stock Exchanges; and



(vii) negotiate, execute, file, amend, supplement, issue and deliver all documents, instruments, papers, applications, notices in relation to the issue of Debentures;

**RESOLVED FURTHER THAT** the Company do create such security, including security over its investments, cash flows, fixed deposits and other moveable properties in favor of the Debenture Trustee by way of execution of the Debenture Trust Deed, Deed of Hypothecation or such other documents, deeds, indentures or undertakings, as may be required in this regard and the Authorized Persons of the Company be and are hereby severally authorized to negotiate, finalize, approve and accept all terms and sign all such documents, deeds, undertakings, indentures, etc. as may be required to give effect to the aforesaid documents;

**RESOLVED FURTHER THAT** Mr. Bipin Kumar Saraf, MD & CEO, Mr. Kishore Babu Manda, Chief Risk Officer, Mr. Rajneesh Kumar, Company Secretary, Mr. Amith Iyer, Chief Financial Officer, Mr. Vibhav Goyal, Vice President and Mr. Gaurav Agarwal, Deputy Vice President (Treasury) be and are hereby severally authorized to act as the constituted attorney of the Company to execute the deed or other instruments as may be required on behalf of the Company with respect to the issue of Debentures AND THAT to affix Common Seal, if any, of the Company including but not limited to on documents / agreements as may be required in this regard;

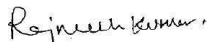
**RESOLVED FURTHER THAT** the Debentures Allotment Committee be and is hereby authorized to allot the Debentures / bonds and to do all such acts, deeds and things incidental to the allotment;

**RESOLVED FURTHER THAT** necessary applications be made with the National Stock Exchange Limited and / or BSE Limited or any other Stock Exchange(s), if required for listing of the instruments;

**RESOLVED FURTHER THAT** any of the Directors, Company Secretary or Chief Financial Officer of the Company be and are hereby severally authorized to file necessary e –forms with Registrar of Companies, Mumbai and to do all such acts, deeds and things as may be necessary to give effect to this resolution;

**RESOLVED FURTHER THAT** the certified true copy of the above resolution be forwarded to the statutory / regulatory authorities or any other authorities under the signature of the Company Secretary of the Company and they be requested to thereupon."

**Certified true copy**  
**For Axis Finance Limited**



**Rajneesh Kumar**  
**Company Secretary**  
**ACS 31230**  
**Email id – Rajneesh.kumar@axisfinance.in**  
**Add:** Axis House, Gr. Floor,  
Wadia International Centre, Worli,  
Mumbai 400 025

**Place:** Mumbai  
**Date:** 25<sup>th</sup> April 2023





## Annexure D – Resolution passed by the Shareholders

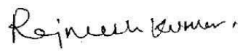
**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE COMPANY AT ITS ANNUAL GENERAL MEETING HELD ON TUESDAY, 6<sup>TH</sup> JUNE 2023 AT MUMBAI**

**Issue of Debentures / Bonds on a private placement basis up to Rs. 24,000 crores**

“**RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard, the consent of the members be and is hereby accorded under the terms of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 read with the Companies (Share Capital and Debentures) Rules, 2014 and subject to the provisions of the Articles of Association of the Company, read with SEBI (Issue and Listing of Non-Convertible Securities), Regulations, 2021 read with circulars and clarifications issued by the Reserve Bank of India (RBI) as applicable to the Non-Banking Financial Companies (NBFC's) and subject to compliance with such other provisions of law as may be applicable (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) to the Board (or the Committee of the Directors (which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) to raise funds time to time by way of making offer or invitation for subscription of secured/unsecured non-convertible debentures, subordinated debentures, bonds or any other debt securities (excluding Commercial paper) herein after to be referred as 'Debentures') up to Rs. 24,000 crores (Rupees Twenty-Four Thousand crores only) in one or more series / tranches to such investors who is eligible to subscribe the Debentures as prescribed under the Act or other applicable laws, rules and regulations and on such other terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory / regulatory authorities with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and with a further power to delegate any one or more of the powers conferred upon by this resolution, to any officer(s) or executive(s) of the Company as they may deem fit and proper.”

**Certified true copy**  
For **Axis Finance Limited**



**Rajneesh Kumar**  
**Company Secretary**  
**ACS 31230**  
**Email id – [Rajneesh.kumar@axisfinance.in](mailto:Rajneesh.kumar@axisfinance.in)**  
**Add:** Axis House, Gr. Floor,  
Wadia International Centre, Worli,  
Mumbai 400 025

**Place:** Mumbai  
**Date:** 8<sup>th</sup> June 2023





*Series – AFL 06/2023-24*

*Security Name – 8.28% Unsecured NCDs, Axis Finance  
Limited, 2033*

*Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only*

**Annexure E – Consent of Trustee, Credit Rating Letter & Rating Rationale Consent of Trustee:**

*[attached separately]*

**Credit Rating Letters:**

**CRISIL:**

*[attached separately]*

**INDIA RATINGS:**

*[attached separately]*

**Rating Rationale: CRISIL:**

*[attached separately]*

**INDIA RATINGS:**

*[attached separately]*



Series – AFL 06/2023-24  
Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2033

Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only

**Annexure F – Cash Flow – NCD Series ‘AFL 06/2023–24’**

**Cash Flow – NCD Series ‘AFL 06/2023-24’**

Company	Axis Finance Limited	
Security Name	<b>8.28% SUBORDINATED UNSECURED NCD, Axis Finance Limited, 2033</b>	
Face Value (per security) (in Rs.)	Rs.1,00,000/- (Rupees One Lakh only) per Debenture	
Issue Date / Deemed Date of Allotment	Monday, 30 October, 2023	
Redemption Date	Friday, 28 October, 2033	
Coupon Rate	8.28% p.a.	
Coupon payment dates	<div> <div>Wednesday, 30 October, 2024</div> <div>Thursday, 30 October, 2025</div> <div>Friday, 30 October, 2026</div> <div>Monday, 1 November, 2027</div> <div>Monday, 30 October, 2028</div> <div>Tuesday, 30 October, 2029</div> <div>Wednesday, 30 October, 2030</div> <div>Thursday, 30 October, 2031</div> <div>Monday, 1 November, 2032</div> <div>Friday, 28 October, 2033</div> </div>	
Frequency of Interest payment with specified date	Annually & on Maturity	
Day count Convention	Actual / Actual	

**Cash Flow in respect of Debenture of face value Rs.1 Lakh:**

Pay out details	Coupon Due Date	Settlement Date	Days in Coup on period	Coup on paym ent per Rs. 1 Lakh	Total cash flow (in Rs.)
Principal Pay in		Monday, 30 October, 2023			- 1,00,000
1 <sup>st</sup> Coupon	Wednesday, 30 October, 2024	Wednesday, 30 October, 2024	366	8,280.00	8,280.00
2 <sup>nd</sup> Coupon	Thursday, 30 October, 2025	Thursday, 30 October, 2025	365	8,280.00	8,280.00
3 <sup>rd</sup> Coupon	Friday, 30 October, 2026	Friday, 30 October, 2026	365	8,280.00	8,280.00
4 <sup>th</sup> Coupon	Saturday, 30 October, 2027	Monday, 1 November, 2027	365	8,280.00	8,280.00
5 <sup>th</sup> Coupon	Monday, 30 October,	Monday, 30 October,	366		



**Series – AFL 06/2023-24**

**Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2033**

**Date – October 25, 2023**

**Private & Confidential  
For Private Circulation Only**

	2028	2028		8,280.00	8,280.00
6 <sup>th</sup> Coupon	Tuesday, 30 October, 2029	Tuesday, 30 October, 2029	365	8,280.00	8,280.00
7 <sup>th</sup> Coupon	Wednesday, 30 October, 2030	Wednesday, 30 October, 2030	365	8,280.00	8,280.00
8 <sup>th</sup> Coupon	Thursday, 30 October, 2031	Thursday, 30 October, 2031	365	8,280.00	8,280.00
9 <sup>th</sup> Coupon	Saturday, 30 October, 2032	Monday, 1 November, 2032	366	8,280.00	8,280.00
10 <sup>th</sup> Coupon & Principal Payout	Friday, 28 October, 2033	Friday, 28 October, 2033	363	8,234.63	1,08,234.63

Notes:

1. If the coupon payment date of the Debentures falls on a Saturday or a Sunday or a holiday, the coupon payment shall be made on the next working day. In order to ensure consistency, a uniform methodology shall be followed for calculation of interest/ dividend payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.
2. If the date of payment of interest does not fall on a Working Day in Mumbai, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date.



## Annexure G – Disclosures of NBFCs

### 1. Lending Policy: Overview of credit origination, risk management, monitoring and collections:

The Company caters to customers under Wholesale and Retail segments. The Company's key product offerings in the wholesale segment include Corporate Loans, Collateralized Loans, Cash flow backed loans and Real Estate financing. The offerings under retail segment includes products such as Mortgage Loans, Business Loans and Personal loans.

The Company's credit origination under Wholesale and Retail segments is governed by the respective Credit Policies and Operating Guidelines. AFL has separate credit teams for Wholesale and Retail Loans to carry out due diligence of loan proposals. While AFL has adopted credit committee based loan approvals for Wholesale Business, there is clearly defined delegation/deviation matrix for sanction of Retail Loans.

The Company has put in place a robust underwriting mechanism for loans and investments with well-defined Product-level Risk Guardrails in terms of exposure limits basis product type, secured / unsecured nature, etc. These guardrails are reviewed periodically to manage and control credit risk. AFL credit framework from loan origination, sanctioning, disbursement, monitoring on accounts and portfolio levels undergoes a strong compliance checks and reviews at various stages which leads to building a robust portfolio over time. The portfolio is closely monitored to identify any stress and proactive measures are taken wherever necessary to protect the asset quality.

The Company has a strong follow-up and collection processes in place for both Wholesale and Retail Borrowers. Overdue accounts are identified early and tracked periodically, then these cases are assigned to for follow-up and collection.

### 2. Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.

Staff loan has been provided to the senior management, as per Staff loan policy. As on Date all are Standard.

### 3. Type of loans:

The detailed break-up of the type of loans and advances including bills receivables given by our Company as on 31<sup>st</sup> March 2023 is as follows:

Sr. No.	Type of Loans	Amount (in Lakhs)
1.	Secured	18,34,980.84
2.	Unsecured	3,95,479.21
	Less: Impairment Loss Allowance	(29,835.09)
<b>Total</b>		<b>19,50,374.70</b>

### 4. Denomination of loans outstanding by loan-to-value:

Sr. No.	LTV (at the time of origination)	2023 Percentage of AUM	2022 Percentage of AUM	2021 Percentage of AUM
1	Upto 40%	18.15%	30.49%	30.60%
2	40%-50%	13.23%	12.27%	18.29%
3	50%-60%	18.48%	12.29%	13.57%
4	60%-70%	25.00%	10.22%	8.75%



	2023	2022	2021
5 70%-80%	17.97%	14.49%	7.55%
6 80%-90%	6.81%	3.08%	3.79%
7 >90%	0.37%	8.08%	9.67%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 5. Sectoral exposure:

Details of sectoral exposure:

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM March 2021	Percentage of AUM March 2022	Percentage of AUM March 2023
<b>1.</b>	<b>Retail</b>	<b>17%</b>	<b>33.08%</b>	<b>40.77%</b>
A.	Mortgages (home loans against property) and loans	11%	22.31%	28.14%
B.	Gold loans	0%	0.00%	0.00%
C.	Vehicle finance	0%	0.00%	0.00%
D.	MFI	0%	0.00%	0.00%
E.	MSME	0%	0.53%	0.51%
F.	Capital market funding (loans against shares, margin funding)	0%	0.09%	0.00%
G.	Others	5%	10.15%	12.12%
<b>2.</b>	<b>Wholesale</b>	<b>83%</b>	<b>66.92%</b>	<b>59.16%</b>
A.	Infrastructure	0%	0.00%	0.00%
B.	Real estate (including builder loans)	14%	6.90%	5.98%
C.	Promoter funding	2%	0.00%	0.00%
D.	Any other sector (as applicable)	0%	0.00%	0.00%
E.	Others	67%	60.01%	53.18%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>

## Geographical classification of borrowers:

Sr. No.	Top 5 states	2023 Percentage of AUM	2022 Percentage of AUM	2021 Percentage of AUM
1.	Karnataka	10.00%	6.70%	7.72%
2.	Delhi, NCR, Haryana & Punjab	17.34%	30.62%	18.04%
3.	AP & TS	11.73%	10.64%	9.45%
4.	West Bengal & East Region	5.27%	6.71%	7.80%
5.	Mumbai (MMR)	28.48%	37.09%	37%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



**6. Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for Issuer, from time to time as on 31<sup>st</sup> March 2023:**

**1. Concentration of Advances\***

Particulars	Amount (in Lakhs) O/s
Total Advances to Twenty Largest Borrowers	3,59,291.96
Percentage of Advances to Twenty Largest Borrowers to Total Advances	15.59%

\*Advances include borrower contractual outstanding balances

**2. Concentration of Exposures\***

Particulars	Amount (in Crores) Exposure
Total Exposure to Twenty Largest Borrowers / customers	3,67,509.95
Percentage of Exposures to Twenty Largest Borrowers / Customers to Total Exposure of Axis Finance on borrowers / customers	14.95%

\*As per RBI Master Circular DBR.No.Dir.BC.12/13.03.00/2015-16, Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure (including underwriting and similar commitments). The sanctioned limits or outstandings, whichever are higher, has been reckoned for arriving at the same

Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on 31<sup>st</sup> March 2023:

**Movement of Gross NPAs:**

Sr. No.	Particulars	Amount (in Lakhs)
1.	Opening Balance	20,397.25
2.	Addition during the period	9,794.06
3.	Reduction during the period	(16,501.61)
4.	Closing Balance	13,689.70

**Movement of provisions for NPAs (excluding provisions on standard assets)**

Sr. No.	Particulars	Amount (in Lakhs)
1.	Opening Balance	13,432.03
2.	Provisions made during the period	3,905.83
3.	Write-off/write-back of excess provision	(9,506.73)
4.	Closing Balance	5,858.57

Sl. No.	Segment-wise Gross NPA	Gross NPA % Mar 2021	Gross NPA % Mar 2022	Gross NPA % Mar 2023
<b>1</b>	<b>Retail</b>	<b>0.09%</b>	<b>0.13%</b>	<b>0.23%</b>
A	Mortgages (home loans and loans against property)	0.02%	0.03%	0.14%
B	Gold loans	0.00%	0.00%	0.00%
C	Vehicle finance	0.00%	0.00%	0.00%
D	MFI	0.00%	0.00%	0.00%



Series – AFL 06/2023-24  
Security Name – 8.28% Unsecured NCDs, Axis Finance  
Limited, 2033

Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only

Sl. No.	Segment-wise Gross NPA	Gross NPA % Mar 2021	Gross NPA % Mar 2022	Gross NPA % Mar 2023
E	MSME	0.00%	0.00%	0.00%
F	Capital market funding (loans against shares, margin funding)	0.00%	0.00%	0.00%
g	Others	0.07%	0.10%	0.09%
<b>2</b>	<b>Wholesale</b>	<b>2.72%</b>	<b>1.05%</b>	<b>0.36%</b>
A	Infrastructure	0.00%	0.00%	0.00%
B	Real estate (including builder loans)	2.18%	0.99%	0.36%
C	Promoter funding	0.00%	0.00%	0.00%
D	Any other sector (as applicable)	0.00%	0.00%	0.00%
E	Others	0.53%	0.06%	0.00%
	<b>Total</b>	<b>2.80%</b>	<b>1.18%</b>	<b>0.59%</b>

Residual/ Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of 31<sup>st</sup> March 2023)

(in lakhs)

Item	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	30,669.06	32,613.84	30,155.14	1,13,486.81	2,59,071.23	8,57,733.61	3,68,171.29	5,08,723.99	22,00,624.97
Investments	-	46,022.07	4,929.30	20.84	46.64	-	30,000.00	9,913.74	90,932.60
Borrowings	8,300.39	1,26,485.51	99,362.96	92,724.84	2,18,829.13	8,16,323.80	5,24,672.62	1,13,484.31	20,00,183.56



**Annexure H – Audit report from Statutory Auditor for FY 2023, FY 2022 and FY 2021 FY 2023:**

Singhi & Co.  
Chartered Accountants  
B2 402B, Marathon Innova, 4th Floor  
Off Ganpatrao Kadam Marg,  
Lower Parel,  
Mumbai – 400013, India

B. K. Khare & Co.  
Chartered Accountants  
706-708, Sharda Chambers  
New Marine Lines,  
Mumbai – 400 020, India

**Independent Auditors' Report**

To  
The Members of  
Axis Finance Limited

**Report on the audit of the Ind AS Financial Statements**

**Opinion**

1. We have audited the accompanying Ind AS Financial Statements ("Financial Statements") of Axis Finance Limited (hereinafter referred as "the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

4

**Basis for Opinion**

3. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SAs"), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

**Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



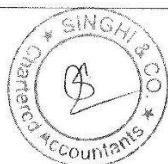


**Singhi & Co.**  
Chartered Accountants

**B. K. Khare & Co.**  
Chartered Accountants

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<b>Expected Credit Loss (ECL) on Loans and Advances and Investments</b>	
	<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loan &amp; Advances and Investments ("Financial Instruments") using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability-weighted loss on Financial Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and Investments.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <p>a) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default' categorically for corporate portfolio, wherein Company's credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal sources supplemented by external data. Impairment allowance for these exposures are reviewed and accounted on a case by case basis.</p> <p>b) Determining effect of less frequent past events on future probability of default</p> <p>c) Grouping of borrowers based on homogeneity by using appropriate statistical techniques</p> <p>d) Determining macro-economic factors impacting credit quality of receivables</p> <p>e) Data inputs - The application of ECL model requires inputs from several data sources</p>	<p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>a) Evaluating the Company's policies, as approved by the Board of Directors, for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109: Financial Instruments.</p> <p>b) Obtained an understanding of the modelling techniques / model adopted by the Company including the key inputs and assumptions including management overlays</p> <p>c) Evaluated the reasonableness of the management estimates by analysing the underlying assumptions and testing of controls around data extraction / validation.</p> <p>d) Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested samples of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.</p> <p>e) Assessed the additional considerations applied by the management to conclude that there is "Significant increase in credit risk" or that event of "Default" has occurred.</p> <p>f) Tested the ECL model, including assumptions, underlying computation and computation of ECL provision performed by the Company on sample basis to assess the arithmetical accuracy and compliance with requirements of Ind – AS 109.</p>





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Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		<p>g) We also made management enquiries with respect to the overlay quantum.</p> <p>h) Discussed with the management, the approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals.</p> <p>i) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109</p>
2	<b>Information Technology (IT) Systems and Controls</b>	
	<p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter</p>	<p><b>Our Audit Approach:</b> With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures on the areas of the IT infrastructure, which majorly focused access security (including controls over privileged access), program change controls, database management and network operations. In particular, our activity included the following:</p> <p><b>General IT controls design, observation and operation:</b></p> <ul style="list-style-type: none"> <li>➤ Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts.</li> <li>➤ Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</li> </ul> <p><b>User access controls operation:</b></p> <ul style="list-style-type: none"> <li>➤ Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.</li> </ul>





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Chartered Accountants

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Chartered Accountants

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		<p>➤ Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p> <p><b>Application controls:</b></p> <p>➤ We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.</p> <p>➤ For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures</p> <p>➤ Our tests also included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the Financial Statements.</p>

**Information Other than the Financial Statements and Auditors' Report thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Financial Statements and our auditors' report thereon.
- Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained 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.

**Management's Responsibility for the 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 Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows 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 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





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Chartered Accountants

preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - 12.1 Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - 12.2 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) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
  - 12.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 12.4 Conclude on the appropriateness of the 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 auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - 12.5 Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

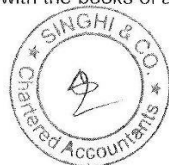
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

16. The Financial Statements includes comparative financial information of the Company for the year ended March 31, 2022 which were audited by Singhi & Co., one of the Joint Auditors, where they have expressed an unmodified opinion vide report dated April 14, 2022. Accordingly, we, do not express any opinion, as the case may be, on the figures reported in the statements for the year ended March 31, 2022.  
Our opinion is not modified in respect of this matter.

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

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by Section 143(3) of the Act, we report that:
  - 18.1 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.
  - 18.2 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.
  - 18.3 The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.





**Singhi & Co.**  
Chartered Accountants

**B. K. Khare & Co.**  
Chartered Accountants

- 18.4 In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 18.5 On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors in the meeting dated April 13, 2023, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- 18.6 With respect to the adequacy of the internal financial controls with reference to these Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 18.7 In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
19. With respect to the other matters to be included in the Auditors' 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, we report as under:
- 19.1 The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Ind AS Financial Statements – Refer Note 34 to the Financial Statements;
- 19.2 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- 19.3 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 19.4
- (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement





**Series – AFL 06/2023-24**  
**Security Name – 8.28% Unsecured NCDs, Axis Finance**  
**Limited, 2023**

**Date – October 25, 2023**  
**Private & Confidential**  
**For Private Circulation Only**

**Singhi & Co.**  
Chartered Accountants

**B. K. Khare & Co.**  
Chartered Accountants

- 19.5 The Board of Directors of the Company have not proposed any dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.
- 19.6 As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 relating to audit trail feature of the Company's accounting software is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under Clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the current year.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No. 302049E



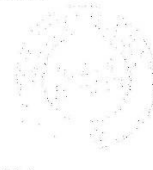
**Shweta Singhal**  
Partner  
Membership No. 414420  
UDIN: 23414420BGVLGT1209  
Place: Mumbai  
Date: April 13, 2023



**For B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W



**Aniruddha Joshi**  
Partner  
Membership No: 040852  
UDIN: 23040852BGUQZG6317  
Place: Mumbai  
Date: April 13, 2023





**Singhi & Co.**  
Chartered Accountants

**B. K. Khare & Co.**  
Chartered Accountants

Annexure A referred to in paragraph 17 of the Independent Auditors Report of even date to the members of Axis Finance Limited (the "Company") in the Financial Statements as of and for the year ended March 31, 2023 under the heading "Report on other Legal and Regulatory requirements".

- i. In respect of the Company's Property, Plant & Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and no material discrepancies were noticed during the verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
- (a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company.
- iii.
- (a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii)(a) of the order is not applicable to the Company.
- (b) Considering that the Company is a Non – Banking Finance Company, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. According to information and explanations provided to us, the Company has not provided any guarantees during the year.
- (c) In respect of the loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being a Non – Banking Finance Company, there are some cases during the year and as at March 31, 2023 wherein the amounts were overdue vis-à-vis stipulated terms.
- (d) In respect of loans granted and advances in the nature of loans, provided by the Company, the total amount overdue for more than ninety days as on March 31, 2023 is as under:





FY 2022:

**Singhi & Co.**  
Chartered Accountants

B2 402 B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013, India  
Tel : +91 (0) 22-6662 5537 / 38 E-mail : mumbai@singhico.com website : www.singhico.com

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of Axis Finance Limited

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

**Opinion**

We have audited the accompanying Ind AS Financial Statements ('Financial Statements') of Axis Finance Limited (hereinafter referred as "the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the 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 accompanying Financial Statements gives 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, 2022, 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 Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 opinion on the Financial Statements.

**Emphasis of Matter**

We draw attention to Note 3.20 to the Financial Statements, which describes the uncertainty arising from COVID 19 pandemic and impacting the Company's operations and estimates related to realization and impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

**Other Matter**

The comparative financial statements of the Company as stated in Financial Statements for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on April 16, 2021. Accordingly, we, do not express any opinion, as the case may be, on the figures reported in the Financial Statements for the year ended March 31, 2021.

Our opinion is not modified in respect of this matter.



KOLKATA (H.O.)

NEW DELHI

CHENNAI

MUMBAI

BANGALORE



# Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<b>Information Technology (IT) Systems and Controls</b> The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.	<b>Our Audit Approach:</b> Our audit approach was a combination of test of internal controls and substantive procedures which included the following <b>General IT controls design, observation and operation:</b> <ul style="list-style-type: none"> <li>➤ Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</li> </ul> <b>User access controls operation:</b> <ul style="list-style-type: none"> <li>➤ Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.</li> <li>➤ Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.</li> </ul> <b>Application controls:</b> <ul style="list-style-type: none"> <li>➤ We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.</li> <li>➤ For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures</li> </ul>
2.	<b>Expected Credit Loss (ECL) on Loans and Advances</b> Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loan & Advances and Investments ("Financial Instruments") using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability-weighted loss on Financial	<b>Our Audit Approach:</b> Our audit approach was a combination of test of internal controls and substantive procedures which included the following: a) Evaluating the Company's accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms





Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and Investments.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <p>a) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'</p> <p>b) Determining effect of less frequent past events on future probability of default</p> <p>c) Grouping of borrowers based on homogeneity by using appropriate statistical techniques</p> <p>d) Determining macro-economic factors impacting credit quality of receivables</p> <p>e) Data inputs - The application of ECL model requires inputs from several data sources.</p>	<p>of Ind AS 109: Financial Instruments.</p> <p>b) Enquired with the management with respect to implementation of any resolution plan under Reserve Bank of India circular for Resolution framework for COVID-19 related Stress.</p> <p>c) Evaluated the reasonableness of the management estimates by analyzing the underlying assumptions and testing of controls around data extraction / validation.</p> <p>d) Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested samples of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.</p> <p>e) Assessed the additional considerations applied by the management to conclude that there is "Significant increase in credit risk" or that event of "Default" has occurred.</p> <p>f) Tested the ECL model, including assumptions and underlying computation.</p> <p>g) Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</p> <p>h) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109</p>

**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 of the information included in the Annual report, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the 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.

#### **Responsibilities of the Management for the 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern concept and using the going concern basis of accounting unless management either intends to liquidate the Company or cease its 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 Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of an internal control.

Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in those circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company





has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 identified during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so we would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" 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 Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2022 none of the directors is disqualified as on March 31, 2022 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 the financial statements of the Company with reference to these Financial Statements and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.
- (g) In our opinion, and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance of 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 Financial Statements – Refer Note No. 34 to the Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and





**Series – AFL 06/2023-24**

**Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2033**

**Date – October 25, 2023**  
**Private & Confidential**  
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- c) Based on audit procedures that we have considered reasonable and appropriate; nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement
- v. The Board of Directors of the Company have not proposed any dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

For Singhi & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 302049E



A handwritten signature in black ink, appearing to read "N. Singhi".

**Nikhil Singhi**  
Partner

Membership Number: 061567

Place: Mumbai  
Date: April 14, 2022  
UDIN No: 22061567AHBMPB8120



Annexure A referred to in paragraph 1 of the Independent Auditors Report of even date to the members of Axis Finance Limited (the "Company") in the Financial Statements as of and for the year ended March 31, 2022 under the heading "Report on other Legal and Regulatory requirements".

i. In respect of the Company's Property, Plant & Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and no material discrepancies were noticed during the verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

- (a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company.

iii.

- (a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii)(a) of the order is not applicable to the Company.
- (b) Considering that the Company is a Non – Banking Finance Company, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. According to information and explanations provided to us, the Company has not provided any guarantees during the year.
- (c) In respect of the loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being a Non – Banking Finance Company, there are some cases during the year and as at March 31, 2022 wherein the amounts were overdue vis-à-vis stipulated terms.





- (d) In respect of loans granted and advances in the nature of loans, provided by the Company, the total amount overdue for more than ninety days as on March 31, 2022 is as under:

No. of Cases	Principal Amount Overdue (Rs. in lakh)	Interest Overdue (Rs. in lakh)	Total Overdue (Rs. in lakh)	Remarks (if any)
459	16,824.11	160.44	16,984.55	

Further, basis discussions with the management we understand that the reasonable steps have been taken by the Company for recovery of the principal and interest.

- (e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii)(e) of the order is not applicable to the Company.
- (f) Basis the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable, and hence not commented upon.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2022 to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder apply. Accordingly, reporting under paragraph 3(v) of the order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, there are no statutory dues referred to in sub clause (a) that have not been deposited on account of any dispute except for disputed income tax dues as tabulated below:





Name of the Statute	Nature of Dues	Amount (Rs. in lakh)	Period to which the amount relates	Forum where the disputes are pending
Income Tax	Income Tax Demand	70.87	Assessment Year 2012-13 Assessment Year 2016-17	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix.
- According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
  - Basis the information and explanation provided to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
  - According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied during the year for the purpose for which the loans were obtained, other than temporary deployment pending application of proceeds.
  - On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have been utilized during the year for long-term purposes.
  - The Company does not have any subsidiaries / associates / joint ventures. Accordingly, reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company.
  - The Company does not have any subsidiaries, associates or joint ventures. According reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.
- x.
- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
  - The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- xi.
- Based upon the audit procedures performed and according to the information and explanations given by the management, there were 7 instances of fraud on the Company by its customers amounting to Rs. 36.61 lakh as disclosed in Note no. 47 to the Ind AS financial statements. We did not come across any instances of fraud by the Company.
  - According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and





Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) According to the information and explanations given to us, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. 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 Ind AS financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till date for determining the nature, timing and extent of audit procedures.
- xv. According to the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with them as referred to in Section 92 of the Act. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- (b) According to the information and explanations given to us, the company holds a valid Certificate of Registration (CoR).
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, there is no CIC in the Group.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been a resignation of the Statutory Auditors during the year in lieu of RBI Circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 relating to Guidelines for appointment of Statutory Auditors and no issue, objection or concern was raised by the erstwhile auditor.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, undrawn bank facilities available, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they





fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx.

- (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- (b) According to the information and explanations given to us, no amount is remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

- xxi. According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence the paragraph 3(xxi) of the Order is not applicable.

For Singhi & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 302049E



**Nikhil Singhi**  
Partner

Membership Number: 061567

Place: Mumbai  
Date: April 14, 2022  
UDIN No: 22061567AHBMPB8120



FY 2021:

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

12th Floor, The Ruby  
29 Senapati Bapat Marg  
Dadar (West)  
Mumbai - 400 028, India  
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Finance Limited

Report on the Audit of the Indian Accounting Standards ("Ind AS") Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Axis Finance 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 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 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 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 Ind AS financial statements.

Emphasis of Matter - Assessment of COVID 19 Impact

"We draw attention to Note 3.20 to the Statement, which describes the uncertainties arising from COVID 19 pandemic and impacting the Company's operations and estimates related to realization and impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter."

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.



**S.R. BATLIBOI & Co. LLP**  
 Chartered Accountants

Axis Finance Limited  
 Auditor's report for the year ended March 31, 2021

Page 2 of 10

Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (expected credit losses) <i>(as described in note 39 of the standalone Ind AS financial statements)</i>	
<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loan &amp; Advances and Investments ("Financial Instruments") using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability-weighted loss on Financial Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and Investments.</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <ol style="list-style-type: none"> <li>Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'</li> <li>Determining effect of less frequent past events on future probability of default</li> <li>Grouping of borrowers based on homogeneity by using appropriate statistical techniques</li> <li>Determining macro-economic factors impacting credit quality of receivables</li> </ol> <p><b>Impact of COVID-19</b>                      The spread of COVID-19 has severely impacted many economies around the globe. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown and economic uncertainties. Measures have also been taken by the Government and the Reserve Bank of India to ease the burden on businesses.</p> <p>The Company has recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL, accentuated by events caused by the COVID-19 pandemic, it is a key audit matter.</p>	<ul style="list-style-type: none"> <li>Our audit procedures included reading the Company's accounting policies for impairment of Financial Instruments and assessing compliance with the policies in terms of Ind AS 109: Financial Instruments.</li> <li>Enquired with the management with respect to implementation of any resolution plan under Reserve Bank of India circular for Resolution framework for Covid-19 related Stress.</li> <li>Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation.</li> <li>Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested samples of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.</li> <li>Assessed the additional considerations applied by the management for staging of loans as SICR</li> <li>Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of account and records.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.</li> </ul>



**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

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Information Technology	
<p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records.</p> <p>Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.</p>	<p>General IT controls design, observation and operation:</p> <ul style="list-style-type: none"><li>• Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</li></ul> <p>User access controls operation:</p> <ul style="list-style-type: none"><li>• Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.</li><li>• Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.</li></ul> <p>Application controls:</p> <ul style="list-style-type: none"><li>• We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.</li><li>• For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures</li></ul>

We have determined that there are no other key audit matters to communicate in our report.

**Other Information**

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

Our opinion on the 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 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.

**Responsibilities of Management for the 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 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



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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 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 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 Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) 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 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;



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- (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 does not have any pending litigations which would impact its financial position;
  - 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 Viren H. Mehta  
Partner  
Membership Number: 048749  
UDIN: 21048749AAAABN6424  
Place of Signature: Mumbai  
Date: April 16, 2021



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

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**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i) (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of 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.
- (iii) According to the information and explanations given to us and audit procedures performed by 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 Companies Act, 2013. 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 given in respect of which provisions of section 185 and 186 of the Companies Act 2013 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 Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods & service tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax, are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
  
The provisions relating to employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax, are not applicable to the Company.
- (vii) (c) According to the information and explanations given to us, there are no dues of income-tax, goods and service tax, service tax, value added tax and cess which have not been deposited on account of dispute. The provision relating to employee's state insurance, sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company.
- (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.



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

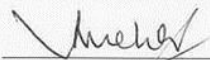
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- (ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of non-convertible debentures for the purposes for which they were raised.
- (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 no material fraud 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 and audit procedures performed by us, the managerial remuneration has been paid / provided 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 and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) 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 and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with them 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



per Viren H. Mehta  
Partner  
Membership Number: 048749  
UDIN: 21048749AAAABN6424  
Place of Signature: Mumbai  
Date: April 16, 2021



**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

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**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF AXIS Finance LIMITED**

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

We have audited the internal financial controls with reference to Ind AS financial statements of Axis Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 Company's internal financial controls with reference to these financial statements.

**Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements**

A company's internal financial controls with reference to 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 controls with reference to 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 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



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Chartered Accountants

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of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

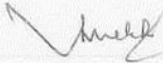
**Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to Ind AS financial statements and such internal financial controls with reference to 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 issued by the ICAI.

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



per Viren H. Mehta  
Partner  
Membership Number: 048749  
UDIN: 21048749AAAABN6424  
Place of Signature: Mumbai  
Date: April 16, 2021



# **Annexure I – Details of Borrowings**

## 1. List of Top 10 Debt Debenture Holders (as on 30<sup>th</sup> September 2023):

Sr No.	Name of Debenture Holder	Category	Face Value	Holding of debt securities as a percentage of total debt securities outstanding of the issuer
1	HDFC BANK LIMITED	Bank	10,00,000	11.33%
2	STATE BANK OF INDIA	Bank	10,00,000	9.18%
3	HDFC BANK LIMITED	Bank	1,00,000	7.35%
4	STATE BANK OF INDIA	Bank	1,00,000	6.12%
5	BANK OF BARODA	Bank	10,00,000	5.51%
6	SERUM INSTITUTE LIFE SCIENCES PRIVATE LIMITED	Other	10,00,000	5.51%
7	BANK OF BARODA	Bank	1,00,000	3.65%
8	UTI MF	MF	10,00,000	3.06%
9	SERUM INSTITUTE OF INDIA PVT LTD	Other	10,00,000	2.75%
10	STAR HEALTH AND ALLIED INSURANCE CO. LTD.	Other	10,00,000	2.14%

## 2. List of top 10 CP holders (as on 30<sup>th</sup> September 2023):

Sr. no	Name of CP Holder	Category of CP holder	Face Value of CP holding	CP Holding percentage as a percentage of total CP outstanding (FACE VALUE) of the issuer	Face Value
1	UNION BANK OF INDIA	Bank	5,50,00,000	24.44%	5,00,000.00
2	HDFC MUTUAL FUND	MF	2,50,00,000	11.11%	5,00,000.00
3	KOTAK MAHINDRA TRUSTEE CO. LTD.	MF	2,00,00,000	8.89%	5,00,000.00
4	YES BANK LIMITED	Bank	2,00,00,000	8.89%	5,00,000.00
5	INVESCO INDIA MF	MF	1,50,00,000	6.67%	5,00,000.00
6	TATA MUTUAL FUND	MF	1,50,00,000	6.67%	5,00,000.00



Series – AFL 06/2023-24

Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2033

Date – October 25, 2023

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7	AZIM PREMJI TRUST	Other	1,00,00,00,000	4.44%	5,00,000.00
8	BHARTI HEXACOM LIMITED	Other	1,00,00,00,000	4.44%	5,00,000.00
9	DSP SAVINGS FUND	MF	1,00,00,00,000	4.44%	5,00,000.00
10	EDELWEISS TRUSTEESHIP CO LTD AC-EDELWEISS MF	MF	75,00,00,000	3.33%	5,00,000.00

3. Details of Non-Convertible Debentures (Up to 30<sup>th</sup> September 2023):

Sr. No.	Series No.	ISIN No.	Tenor	Yield	Face Value	Allotment Date	Maturity Date	Rating	Secured/Unsecured
1	02/2016-17	INE891K08034	3652	8.80%	2,00,00,00,000.00	05-Aug-16	05-Aug-26	CRISIL & India Ratings	Unsecured
2	02/2017-18	INE891K08042	3652	8.50%	1,00,00,00,000.00	11-May-17	11-May-27	CRISIL & India Ratings	Unsecured
3	02/2017-18	INE891K08042	3652	8.50%	50,00,00,000.00	11-May-17	11-May-27	CRISIL & India Ratings	Unsecured
4	02/2017-18	INE891K08042	3652	8.50%	50,00,00,000.00	11-May-17	11-May-27	CRISIL & India Ratings	Unsecured
5	03/2017-18	INE891K08059	3652	8.08%	50,00,00,000.00	14-Sep-17	14-Sep-27	CRISIL & India Ratings	Unsecured
6	03/2017-18	INE891K08059	3652	8.08%	25,00,00,000.00	14-Sep-17	14-Sep-27	CRISIL & India Ratings	Unsecured
7	03/2017-18	INE891K08059	3652	8.08%	25,00,00,000.00	14-Sep-17	14-Sep-27	CRISIL & India Ratings	Unsecured
8	02/2019-20 (Option B)	INE891K07481	1827	8.30%	5,00,00,000	06-Aug-19	06-Aug-24	CRISIL & India Ratings	Secured
9	05/2020-21	INE891K07572	1461	6.50%	3,00,00,00,000	16-Sep-20	16-Sep-24	CRISIL	Secured
10	07/2020-21	INE891K07598	1095	5.25%	60,00,00,000	14-Dec-20	14-Dec-23	CRISIL	Secured



**Series – AFL 06/2023-24**

**Security Name – 8.28% Unsecured NCDs, Axis Finance Limited, 2033**

**Date – October 25, 2023**

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11	1-SD/2020-21	INE891K08067	3651	7.45%	70,00,00,000	15-Feb-21	14-Feb-31	CRISIL & India Ratings	Unsecured
12	02 FRB/2021-22	INE891K07655	1096	5.50%	5,00,00,00,000	24-May-21	24-May-24	CRISIL	Secured
13	03/2021-22	INE891K08075	3652	7.40%	1,00,00,00,000	10-Jun-21	10-Jun-31	CRISIL & India Ratings	Unsecured
14	04/2021-22	INE891K07663	1096	5.72%	1,50,00,00,000	21-Jun-21	21-Jun-24	CRISIL	Secured
15	05/2021-22	INE891K07671	3650	7.27%	1,24,00,00,000	28-Jun-21	26-Jun-31	CRISIL & India Ratings	Secured
16	06/2021-22	INE891K08083	Perpetual	7.90%	1,50,00,00,000	25-Aug-21	Perpetual	CRISIL & Brickworks Ratings	Unsecured
17	07/2021-22/Option A	INE891K07689	1096	5.75%	90,00,00,000	09-Sep-21	09-Sep-24	India Ratings	Secured
18	07/2021-22/Option B	INE891K07697	1096	5.75%	1,70,00,00,000	09-Sep-21	09-Sep-24	India Ratings	Secured
19	08/2021-22	INE891K07705	1826	6.55%	1,70,00,00,000	22-Sep-21	22-Sep-26	CRISIL & India Ratings	Secured
20	09/2021-22	INE891K07713	1461	6.10%	1,25,00,00,000	29-Sep-21	29-Sep-25	CRISIL & India Ratings	Secured
21	10/2021-22	INE891K07721	1826	6.80%	4,00,00,00,000	18-Nov-21	18-Nov-26	CRISIL & India Ratings	Secured
22	11/2021-22	INE891K07739	1095	5.95%	1,00,00,00,000	30-Nov-21	29-Nov-24	CRISIL	Secured
23	12/2021-22	INE891K08091	3651	7.42%	75,00,00,000	06-Dec-21	05-Dec-31	CRISIL & India Ratings	Unsecured
24	13/2021-22	INE891K07747	1096	6.05%	5,00,00,00,000	17-Dec-21	17-Dec-24	CRISIL & India Ratings	Secured



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25	14/2021-22	INE891K08117	Perpetual	7.76%	50,00,00,000	31-Dec-21	Perpetual	CRISIL & Brickworks Ratings	Unsecured
26	15/2021-22	INE891K07754	1096	6.30%	3,50,00,00,000	25-Feb-22	25-Feb-25	CRISIL & India Ratings	Secured
27	16/2021-22	INE891K07762	1461	6.80%	2,50,00,00,000	30-Mar-22	30-Mar-26	CRISIL & India Ratings	Secured
28	01/2022-23	INE891K07770	1096	6.75%	2,00,00,00,000	06-May-22	06-May-25	CRISIL	Secured
29	02/2022-23	INE891K07788	1095	7.35%	30,00,00,000	14-Jun-22	13-Jun-25	India Ratings	Secured
30	03/2022-23	INE891K07796	1094	7.70%	2,50,00,00,000	13-Jul-22	11-Jul-25	India Ratings	Secured
31	04/2022-23	INE891K07804	1156	7.51%	3,00,00,00,000	25-Aug-22	24-Oct-25	CRISIL	Secured
32	05/2022-23	INE891K08125	Perpetual	8.34%	1,00,00,00,000	30-Aug-22	Perpetual	CRISIL & Brickworks Ratings	Unsecured
33	06/2022-23	INE891K07812	1826	7.70%	1,00,00,00,000	08-Sep-22	08-Sep-27	CRISIL & India Ratings	Secured
34	07/2022-23	INE891K08133	3651	8.07%	1,00,00,00,000	26-Sep-22	24-Sep-32	CRISIL & India Ratings	Unsecured
35	AFL–08/2022-23– Reissue of AFL 6.80% 30 March 2022 SR.16/2021-22	INE891K07762	1229	6.80%	2,00,00,00,000	17-Nov-22	30-Mar-26	CRISIL & India Ratings	Secured
36	09/2022-23	INE891K08141	3651	8.06%	2,00,00,00,000	28-Nov-22	26-Nov-32	CRISIL & India Ratings	Unsecured
37	10/2022-23	INE891K08158	Perpetual	8.15%	1,25,00,00,000	26-Dec-22	Perpetual	CRISIL & Care	Unsecured



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								Ratings	
38	11/2022-23	INE891K07820	1826	8.07%	2,63,00,00,000	23-Feb-23	23-Feb-28	India Ratings & Care Ratings	Secured
39	12/2022-23	INE891K07838	1157	8.35%	3,85,00,00,000	20-Mar-23	20-May-26	India Ratings & Care Ratings	Secured
40	01/2023-24	INE891K07846	1188	7.99%	3,00,00,00,000	03-May-23	03-Aug-26	India Ratings & Care Ratings	Secured
41	02/2023-24	INE891K07853	1827	7.95%	5,00,00,00,000	26-May-23	26-May-28	CRISIL & Care Ratings	Secured
42	03/2023-24	INE891K07861	1096	7.95%	3,50,00,00,000	30-Jun-23	30-Jun-26	CRISIL & Care Ratings	Secured
43	04/2023-24	INE891K07879	1185	8.00%	1,50,00,00,000	13-Sep-23	11-Dec-26	India Ratings & Care Ratings	Secured
44	05/2023-24	INE891K07887	1034	8.00%	3,75,00,00,000	22-Sep-23	22-Jul-26	India Ratings & CRISIL	Secured



## **Annexure J – Events of Default**

- (i) If one or more of the events specified hereinafter called the Event(s) of Default happen(s), the Trustee may, in their discretion, and shall, upon request in writing of the Majority Debenture Holders of the Debenture Holders at the meeting of Debenture Holders duly convened as per the provisions of the Second Schedule, by a notice in writing to the Company declare the principal and all accrued interest on the Debentures of any category to be due and payable forthwith and the security created hereunder shall become enforceable and the Trustee shall have right to enforce security in terms of this Deed and SEBI Defaults (Procedure) Circular as may be amended from time to time which requires consent of 75% (seventy five percent) of the Debenture Holders (by value) and 60% (sixty percent) of the Debenture Holders (by number) and shall be entitled to exercise all rights and remedies available with the Trustee under the Debenture Trust Deed in accordance with SEBI Defaults (Procedure) Circular.
- (ii) Upon occurrence of an Event of Default, subject to the approval of the Debenture Holders and the conditions as may be specified by the Board from time to time, the Debenture Trustee, on behalf of the Debenture Holders, may enter into Inter-Creditor Agreements provided under the framework specified by the RBI from time to time. The manner of voting for joining the Inter Creditor Agreement shall be as per the extant guidelines and circular notified by SEBI from time to time.
- (iii) The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the Inter-Creditor Agreement and consider the resolution plan, if any, on behalf of the Debenture Holder(s) in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws.
- (iv) Upon occurrence of Event of Default, the Debenture Trustee shall be entitled to utilize the amounts lying to the credit of the Recovery Expense Fund in accordance with the provisions of the Act and the guidelines and circulars issued and notified by the SEBI from time to time. Any balance amounts in the Recovery Expense Fund shall be refunded to the Issuer of repayment of all the Outstanding Amounts.
- (v) The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security. Any balance amounts in the Recovery Expense Fund shall be refunded to the Issuer of repayment of all the Outstanding Debenture Amount.
- (vi) All expenses over and above those met from the Recovery Expense Fund incurred by the Debenture Holder(s)/Trustee after an Event of Default has occurred in connection with collection of amounts due under this Deed, shall be payable by the Company.
- (vii) Notwithstanding anything contained herein or law, the Debenture Trustee shall also be entitled to enforce this Deed and its rights and benefits created hereunder, including (but not limited to) in relation to the Security Interest and to seek any and all remedies under the Applicable Laws from time to time, including without limitation, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and / or the Recovery of Debts Due to Banks & Financial Institutions Act, 1993.
- (viii) Notwithstanding anything to the contrary contained herein, on the occurrence of an Event of Default, the Debenture Trustee shall follow the standard operating procedure for the purposes of



execution of an inter-creditor agreement as may be stipulated by SEBI from time to time (as presently set out in the SEBI Defaults (Procedure) Circular).

### **Events of Default**

- (i) Payment Default – The Company does not pay on the due date(s) the principal and/or interest amounts payable pursuant to the Debenture Documents.
- (ii) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or Part B (other than the obligation to pay principal and interest) and, except where the Trustee certifies that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 (thirty) days after written notice has been given thereof by the Trustee to the Company requiring the same to be remedied;
- (iii) If the Company commits any breach of the terms of the prospectus inviting the subscriptions of Debentures or of the covenants of this Deed;
- (iv) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptances, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person and/or (i) any commitment for any Debt of the Company, as the case may be, is cancelled or suspended by a creditor as a result of an event of default (however described); (ii) any creditor of the Company, as the case may be, becomes entitled to declare any Debt due and payable prior to its specified maturity as a result of an event of default (however described);
- (v) Any information given by the Company in the reports and other information furnished by the Company and the representation and warranties given/deemed to have been given in this Deed or any other related documents by it to the Trustee is misleading or incorrect in any material respect;
- (vi) In the event stipulated Security Cover pertaining to Receivables falls below the prescribed levels in the Pricing Supplements;
- (vii) If Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been commenced and/or Company merges into or amalgamate with any other entity and/or consolidates, reorganize (including reorganization of its capital) in the manner prejudicial to the interest of the Debenture Holder except as otherwise allowed under this Deed;
- (viii) The Company has become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved or an order or a resolution for winding up of the Company shall have been made or passed;
- (ix) The Company is unable to or has admitted in writing its inability to pay its Debts as they mature;
- (x) A Receiver or a Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;
- (xi) The Company ceases or gives a notice of its intention to cease to carry on its business or gives notice of its intention to do so;
- (xii) If a petition for winding up of the Company shall have been admitted or if an order of a Court



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of competent jurisdiction is made for the winding up of a Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Trustee and duly carried into effect;

- (xiii) The Company has taken or suffered any action to be taken for its liquidation or dissolution;
- (xiv) If any extraordinary circumstances have occurred which make it improbable for the Company to fulfil its obligations under these presents and/or the Debentures;
- (xv) If the Debenture Trustee is of the opinion that the security of Debenture holders is in jeopardy;
- (xvi) If it is certified by an accountant or a firm of accountants appointed (with the consent of the Company) by the Trustee that the liabilities of the Company exceed its assets.



## **Annexure K – Covenants of Debenture Trust Deed**

### **A) Amount of Debentures and Covenant to pay Principal and Interest**

(i) The Debentures shall be issued in terms of the respective Term Sheet/Disclosure Document/PM and this Debenture Trust Deed for non-convertible debentures having issue size of up to Rs. 200,00,00,000.00 (Rupees Two Hundred Crores only) including aggregate base issue of up to Rs. 50,00,00,000/- (Rupees Fifty crores only) and green shoe option of up to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only). The Company covenants with the Trustee that it shall pay to the Debenture Holders the principal amount of the Debentures on the date mentioned in Clause 47 in Part B and shall also pay interest (including liquidated damages on default amounts where applicable) on the Debentures in accordance with the Pricing Supplements, Clause 46 in Part B.

Provided that if so called upon by the Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustee at Mumbai and such payment shall be deemed to be in *pro tanto* satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holders.

(ii) The Company shall, at all times until the Secured Obligations have been duly discharged, maintain a bank account no. 913020023692270 with Axis Bank, Fort Branch (“**Account Bank**”) from which it proposes to pay the redemption amount and shall pre-authorise Debenture Trustee to seek debt redemption payment related information from such Account Bank. The Company agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day of any change in the Account Bank details.

### **B) Interest**

#### **A. Rate and Manner of Payment**

Subject to Clause 49 of this Deed, the Company shall pay interest on the principal amount of the Debentures at the rate specified in the respective Pricing Supplements and / or Disclosure Document.

Payment of interest on the Debenture(s) will be made to those of the debenture holders whose name(s) appear in the register of debenture holder(s) (or to the first holder in case of joint holders) as on the record date fixed by the Company for this purpose and /or as per the list provided by NSDL/CDSL to the Company of the beneficiaries who hold Debentures in demat form on such record date, and are eligible to receive interest. Payment will be made by the Company after verifying the bank details of the Debenture Holders by way of direct credit through Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque(s)/demand draft(s)/interest warrant(s), which will be dispatched to the debenture holder(s) by registered post/ speed post/ courier or hand delivery on or before the Interest Payment Dates as specified in the Pricing Supplements.

Interest for each interest period shall be calculated on such day count basis as set out in the Pricing Supplements on the principal amount outstanding on the Debentures at the applicable coupon.

Pursuant to the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF1/122/2016 dated November 11, 2016, if the due date in respect of redemption of the Debentures, liquidated damages, fees and all other monies payable under these presents falls on a day other than a Business Day, then such amounts as due and payable on such day, would be paid on the previous Business Day (which shall be a day when the money market is functioning in Mumbai) without any interest for the period outstanding. In case the interest payment



date falls on a day other than a Business Day then the interest shall be paid on the succeeding Business Day, (which shall be a day when the money market is functioning in Mumbai) however the future coupon payment dates would be as per the schedule originally stipulated in the Pricing Supplements / Private Placement Offer Letter.

**B. Default Interest**

In the event of delay in the payment of interest amount due, the Company shall pay default interest if applicable as specified in the relevant Pricing Supplements.

i. Default in Payment: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least 2% (two percent) p.a. over the coupon rate shall be payable by the Company for the defaulting period.

ii. Delay in Listing: In case of delay in listing of the debt securities beyond 3 (three) trading days from the Issue Closure Date, the Company shall pay penal interest of at least 1% (one percent) p.a. over the coupon rate for the period of delay i.e, from the deemed date of allotment till the listing of such debt securities to the investor.

**C. Review of Interest Rate**

The Debentures are issued on fixed interest rate term for the entire tenor of the Debentures. As such, interest rate resets are not provided for in the subscription document to the issue. As and when the Central Government increases the rate of interest on non-convertible debentures in future, the Company may increase the rate of interest on the Debentures and take necessary steps to complete all the required formalities and obtain all the necessary consents from the concerned authorities for payment of interest at such increased rate.

**C) Listing of the Debentures and Credit Rating**

The Company shall ensure the listing of the Debentures within the period prescribed under the law and/or Pricing Supplements, as the case may be, and do all necessary compliances to get the Debentures listed on the Stock Exchanges as mentioned in the Pricing Supplements.

All expenses, costs, charges incurred for the purpose of listing of the Debentures, shall be borne and paid by the Company.

The Debentures are rated 'CRISIL AAA/Stable' issued by CRISIL Ratings Limited vide their letter dated October 11, 2023, bearing reference number RL/ENAMF/322153/NCD/0723/65118/114933224/2 and 'IND AAA/Stable' issued by India Ratings and Research Private Limited vide their letter dated October 11, 2023.

**D) COMPANY'S REPRESENTATIONS AND COVENANTS**

(a) The Company declares, represents, warrants and covenants as follows:

i. That the Company is a public company, duly organized and validly existing under the applicable Indian laws. The Company has the power and authority to execute, deliver and perform this Deed or any other agreement to be executed in terms of this Deed and to consummate the transactions contemplated by this Deed and/or any other related documents. This Deed has been duly and validly executed by the Company, and upon the execution and delivery by the Company of this Deed and/or any other related documents, each such documents will constitute, legal, valid and binding obligations of the Company, enforceable against it in accordance with their respective terms.



- ii. That no consent or Governmental approval to, from or with any person, including the existing lenders of the Company is required on the part of the Company for borrowing by way of the issue of Debentures or in connection with the execution, delivery and performance of this Deed or any other related document to be executed for creation of charge over receivables, the compliance by any of them with any of the provisions hereof or thereof, or the consummation of the transactions contemplated hereby or thereby.
- iii. That the Company shall furnish information required by the Debenture Trustee for the effective discharge of their duties and obligations, including copies of reports, balance sheets, profit and loss account etc.
- iv. That the Company is an eligible issuer as per Regulation 5 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- v. The execution, delivery and performance by the Company of this Deed or any other related document will not:
  - A. Violate, conflict with, result in a breach of the terms, conditions or provisions of, result in the creation of any encumbrances or constitute a default, an event of default (or event that, with the giving of notice or lapse of time or both, would constitute an event of default) or an event creating rights of acceleration, modification, termination or cancellation or a loss of rights under any or all of the following:
    - a) The constitutional documents (memorandum and articles of association) of the Company;
    - b) Any judgment, order, decree, writ or governmental approval or order to which the Company is a party or by which it is bound;
    - c) Any consents, governmental approvals or waivers, as the case may be, of any third party required to give effect to and complete the transactions contemplated in this Deed;
    - d) Any law affecting the Company; or
  - B. Constitute an act of bankruptcy, preference, insolvency or fraudulent conveyance under Insolvency and Bankruptcy Code, 2016 or other Applicable Law for the protection of debtors or creditors.
- i. That the Company is well within its authority to issue the Debentures in terms hereof and the same is not in breach of the resolutions dated June 6, 2023 passed by its shareholder under the provisions of Section 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013 respectively and the Board resolution dated 13<sup>th</sup> April 2023.
- ii. That for the purposes of Section 281 of the Income Tax Act, 1961, the Company has satisfactorily paid all its dues as on date for or on account of any income tax due and payable to the Government of India, and as such there are no outstanding dues payable by the Company to the Government of India for or on account of income tax and in this regard the Company will provide to the Trustee the requisite consent of the Income tax authorities under Section 281 of the Income Tax Act, 1961 within 90 (ninety) days of execution of this Deed.
- iii. That the Company has not received any notice or intimation till date of:
  - a) any taxes or any other sums due and payable by the Company to the Government of India, and/ or;
  - b) any proceedings pending and/ or initiated and/ or threatened against the Company for or on account of any taxes or any other sums, which may be due and payable by the Company to the Government of India;

which may materially affect the creation and enforcement of security in terms of the provisions of this Deed or which is prejudicial to the Debenture Holders



- iv. The Company hereby undertakes to irrevocably and unconditionally indemnify the Debenture Holders and keep the Debenture Holders indemnified for any expenses, costs, losses, claims, actions, damages arising out or in connection with any breach of our representations and/or warranties and/or covenants hereof or any misrepresentation hereof.
- v. The Company shall file necessary filings, with the Registrar of Companies at Mumbai along with the requisite filing fee within the prescribed period, without payment of penalty and shall deliver a copy thereof to the Trustee.
- vi. The condition/requirement of debt service coverage ratio as mentioned in Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 is not required to be mentioned in this Deed.
- vii. That no Event of Default has ever occurred in relation to any loan/credit facility ever availed by the Company and/or their promoters/directors and name of any of them have ever appeared in Credit Information Bureau (India) Limited.
- viii. The Company shall comply with the following information required to be provided under SEBI (Listing Obligations and Disclosure Regulations), 2015 (“LODR Regulations”). Further, the Company shall ensure that all the applicable regulations as per the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time are duly complied with.

Part I – Information to be submitted to Stock Exchange

- A. As per Regulation 51 (1) of the LODR Regulations, the Company shall promptly inform the Stock Exchange(s) of all information having bearing on the performance/operation of the Company, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible securities. Further as per Regulation 52 (2) of the LODR Regulations, the Company, shall without prejudice to the generality of sub-regulation (1), having listed non-convertible securities shall make disclosures as specified in Part B of Schedule III of the LODR Regulations.
- B. Further, as per Regulation 51 (3) of the LODR Regulations, the Company shall disclose on its website, all such events or information which have been disclosed to the Stock Exchange(s) pursuant to LODR Regulation and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per the archival policy of the Company, as disclosed on its website.
- C. As per Regulation 52 (1) and (4) of the LODR Regulations, the Company is required to prepare and file unaudited or audited quarterly and year to date standalone financial results within 60 (sixty) days from the end of the quarter to the recognised Stock Exchange.
- D. As per Regulation 52 (2A), the listed entity shall submit a statement of assets and liabilities and statement of cash flows as at the end of every half year, by way of a note, along with the financial results.
- E. The Company shall, while submitting quarterly/annual financial results, accordingly shall provide Debenture Trustee the following information, on the letter head of the Company, addressed to the Stock Exchange/(s):
  - (i) Debt Equity Ratio;
  - (ii) debt service coverage ratio;
  - (iii) interest service coverage ratio;
  - (iv) outstanding redeemable preference shares (quantity and value);
  - (v) capital redemption reserve/debenture redemption reserve;
  - (vi) net worth;



- (vii) net profit after tax;
- (viii) earnings per share;
- (ix) current ratio;
- (x) long term debt to working capital;
- (xi) bad debts to Account receivable ratio;
- (xii) current liability ratio;
- (xiii) total debts to total assets;
- (xiv) debtors' turnover;
- (xv) inventory turnover;
- (xvi) operating margin percent;
- (xvii) net profit margin percent;
- (xviii) any other information as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable regulations, notifications and circulars as amended from time to time.

Provided that if the information mentioned above is not applicable to the Issuer, it shall disclose such other ratio / equivalent financial information, as may be required to be maintained under applicable laws, if any.

- F. As per Regulation 53 of the LODR Regulations, the Company shall submit to the and Stock Exchange and publish on its website the following:
  - a) a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and
  - b) in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty eight) hours after the annual general meeting.
- G. As per Regulation 57 (1) of the LODR Regulations, the Company shall submit a certificate to the Stock Exchange within 1 (one) working day of the interest or dividend or principal becoming due regarding status of payment in case of non-convertible securities.
- H. Any further information which may be required to be submitted to the Stock Exchange pursuant to LODR Regulations, as amended from time to time.

Part II – Information to be submitted to the Debenture Trustee

- A. The Company shall submit, a copy of the financial results submitted to Stock Exchange shall also be provided to Debenture Trustee on the same day the information is submitted to the Stock Exchange.
- B. As per Regulation 53 of the LODR Regulations, the Company shall submit to the Debenture Trustee and publish on its website the following:
  - i. a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and
  - ii. in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty-eight) hours after the annual general meeting.
- C. In terms of the provisions of Regulation 56 of the LODR Regulations, Company shall promptly submit to the Debenture Trustee the following:
  - i. a copy of the annual report at the same time as it is issued along with a copy of certificate from the listed entity's auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised:



Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.

- ii. a copy of all notices, resolutions and circulars relating to –
  - a) new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities;
  - b) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;
- iii. a half yearly certificate regarding maintenance of 100% (hundred percent) or higher Security Cover as per the terms of the relevant Pricing Supplements/Placement Memorandum and/or this Deed, including compliance with all the covenants, in respect of listed non- convertible debt securities, by the Statutory Auditor, along with the financial results, in the manner and format specified by the Board;
- iv. Intimations regarding:
  - a) any revision in the rating;
  - b) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;
  - c) failure to create charge on the assets;
  - d) all covenants of the issue (including side letters, accelerated payment clause, etc.).
- D. The Company shall forward to Debenture Trustee any information sought and provide access to relevant books of accounts as required by it.
- E. The Company may, subject to the consent of the Debenture Trustee, send the information stipulated in sub-regulation (1), in electronic form/fax.
- F. The Company shall also disclose to the Debenture Trustee at the same time as it has intimated to the Stock Exchange, all material events and/or information as disclosed under Regulation 51 of LODR Regulations in so far as it relates to the interest, principal, issue and terms of non- convertible debt securities, rating, creation of charge on the assets, notices, resolutions and meetings of holders of non-convertible debt securities.
- G. Debenture Trustee shall make the following disclosures on Stock Exchange(s):
  - i. No-objection Certificate (NOC)/no-dues certificate/consent/permission (by whatever name called) issued by Debenture Trustee to the Company in terms of contractual obligations arising out of Shelf Placement Memorandum/Tranche Placement Memorandum/ this Deed or any other Debenture Documents related to the Debentures, including the consent/ NOC for further borrowing by Issuer within 48 (forty eight) hours of issuance of such consent/ no-objection certificate by Debenture Trustee to the Company.
  - ii. Any breach of the minimum Security Cover within 48 (forty eight) hours of such breach.

Such information shall also be placed on the websites of the Debenture Trustee and the Issuer.

Part – III Information to be submitted to the Debenture holders



- A) In terms of the provisions of the Regulation 58 of the LODR Regulations, Company shall send to the Debenture Holders the following documents and information:
- a. Soft copies of the full annual reports to all the holders of non- convertible securities who have registered their email address(es) either with the listed entity or with any depository;
  - b. Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non- convertible securities who have not so registered their email address. There is a relaxation provided under this provision till September 30, 2023;
  - c. Hard copies of full annual reports to those holders of non-convertible securities, who request for the same;
  - d. Quarterly communication as specified in Sub-Regulation (4) of Regulation 52 of the LODR Regulations, to holders of non-convertible debt securities.
  - e. The Company shall send the notice of all meetings of holders of non-convertible debt securities and holders of non-convertible redeemable preference shares specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting.
  - f. The Company shall send proxy forms to holders of non-convertible debt securities and non-convertible redeemable preference shares which shall be worded in such a manner that holders of these securities may vote either for or against each resolution.
- B) The Company shall submit to the and Stock Exchange and publish on its website the following:
- a. a copy of the annual report sent to the shareholders along with the notice of the annual general meeting and a link to the annual report, not later than the date of commencement of dispatch to its shareholders; and
  - b. in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty eight) hours after the annual general meeting.
- C) The Company shall submit a certificate to the Stock Exchange within 1 (one) working day of the interest or dividend or principal becoming due regarding status of payment in case of non-convertible securities.
- D) Any further information which may be required to be submitted to the Stock Exchange pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.



- (i) Penal Interest:
- (a) Security Creation (where applicable): Not Applicable.
- (b) Default in Payment: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least 2% (two per cent) p.a. over the coupon rate will be payable by the Company for the defaulting period;
- (c) Delay in Listing: In case of delay in listing of the debt securities beyond 3 (three) working days from the Issue Closing Date, the Company will pay penal interest of at least 1 % (one per cent) p.a. over the coupon rate to the Debenture Holder(s) for the period of delay i.e. from the deemed date of allotment till the listing of Debentures.

Part – IV Disclosures to be complied as per SEBI (Non-Convertible Securities) Regulations, 2021 and Operational Guidelines Circular

- (a) Payment of interest in case of failure to execute the Debenture Trust Deed

In case of failure to execute the Debenture Trust Deed within such timelines as may be specified by the Board, the Issuer shall pay interest of at least 2% (two percent) per annum or such other rate, as specified by the Board, to the Debenture Holders, over and above the agreed coupon rate until the execution of the Debenture Trust Deed.

- (b) Intimation on status of payment

- (i) Issuer shall intimate to the stock exchanges, depositories and Debenture Trustee the status of payment of Debentures within 1 (one) working day of payment/ redemption date.

- (ii) While intimating the status of payment to Debenture trustee(s), Issuer shall also intimate to Debenture Trustee that they have informed the status of payment or otherwise to the stock exchanges and depositories.

- (c) Continuous assessment of default status

- (i) The issuer shall inform the stock exchange(s), depositories and Debenture Trustee latest by the second working day of April of each financial year on the updated status of payment of the Debentures.

- (ii) In case the issuer fails to intimate the updated status of payment of the concerned Debentures within the stipulated timelines, the Debenture Trustee shall carry independent assessment as given Clause 20 (k) above and intimate the status of payment of debt securities to the stock exchange and depositories within 7th (seventh) working day of April of each financial year.

- (iii) In case issuer or Debenture Trustee does not intimate the status of payment of Debentures to stock exchanges and depositories within the stipulated timeline, transactions in such Debentures shall be restricted from 8th (eighth) working day of April of that financial year, until any further intimation is received from Issuer or Debenture Trustee regarding the same.

- (iv) In case of any developments that impact the status of default of the Debentures (including restructuring of Debentures, NCLT/ NCLAT proceedings relating to insolvency/ bankruptcy, repayment, etc.), the Issuer/ Debenture Trustee shall intimate the stock exchanges and depositories within 1 (one) working day of such development.



(d) Payment of debt securities or subsequent payment of defaulted Debentures

In case of receipt of intimation or subsequent intimation to the depositories regarding full payment of redemption amount or any developments that impacts the status of default of the concerned debt securities (including restructuring of debt securities, IBC proceedings, its repayment, etc.) from Issuer or from Debenture Trustee(s), transactions shall be restricted in such debt securities by the depositories immediately. The same shall be informed to the stock exchange(s) and disseminated on respective depositories' website, within one working day of such restriction. Further, the concerned Debenture Holder shall be extinguished in the depository system on receipt of corporate action documents from the issuer towards its extinguishment.

(e) The process explained in paragraphs (c) and (d) above shall be followed either till full payment on these Debentures is made by Issuer or the Issuer has been liquidated and money has been realised after completion of recovery proceedings.

(f) Filing Requirements

i. Issuers shall fill all the requisite fields as provided in Annex - XIV-A of the Operational Guidelines Circular in the Centralized Database at the time of allotment of International Securities Identification Number. Depositories shall verify the information as provided by Issuer at the time of activation of International Securities Identification Number.

ii. Post listing of securities, Issuers shall submit information in the requisite fields as provided in **Annex – XIV – B** of the Operational Guidelines Circular to any of the stock exchanges where their securities are listed on a periodical basis (within 30 days from the end of the financial year) and/or 'as and when' basis (event based), as applicable. The stock exchange shall indicate the format of filing to the Issuers in this regard.

iii. Issuer shall ensure that EBPs shall update on their websites, details of issuances done through the EBP platform at the end of the day after the acceptance of the bid by the Issuer in the format at Annex - XV-B of the Operational Guidelines Circular.

### **General Covenants**

The Company hereby covenants with the Trustee that the Company will at all times during the continuance of this Deed (except as may otherwise be previously agreed in writing by the Trustee):

a. carry on and conduct its business with due diligence and efficiency and in accordance with sound engineering, technical, managerial and financial standards and business practices with qualified and experienced management and personnel

b. utilise the monies received towards subscription of the debentures for financing its general business purposes and other activities. Upon completion of its financial year the Company shall furnish to the Trustee a statement showing the manner in which the said monies have been utilized from statutory auditor;

c. procure and furnish to the Trustee a certificate from the Company's auditors in respect of the utilisation of funds raised by the issue of the Debentures for the Company's general business purposes and other activities;

d. keep proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the



Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the business of the Company shall at all reasonable times be open for inspection of the Trustee and such person or persons as the Trustee shall, from time to time, in writing for the purpose, appoint with prior written notice to the Company;

e. give to the Trustee or to such person or persons as aforesaid such information as they or he or any of them shall require as to all matters relating to the business, property and affairs of the Company and at the time of the issue thereof to the shareholders of the Company furnish to the Trustee three copies of every report, balance sheet, profit and loss account, circulars or notices, issued to the shareholders and the Trustee shall be entitled, if they think fit, from time to time, to nominate a firm of chartered accountants to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow any such accountant or agent to make such examination and investigation and shall furnish him with all such information as he may require and shall pay all costs, charges and expenses of and incidental to such examination and investigation;

f. punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the security created hereunder and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company;

g. shall not declare any dividend to the shareholders in any year until it has paid or has made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures;

h. diligently preserve its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and that it will comply with each and every term of the said franchises and concessions and all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures or the security of the Debentures is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed;

i. pay all such stamp duty (including any additional stamp duty) including stamp duty to be paid in favour of the Trustee upon redemption of Debentures, other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force in the state in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand;

j. shall inform the Trustee with respect to any new project, diversification, modernisation or substantial expansion of any project or change in the nature and conduct of business of the Company;

k. promptly inform the Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the Act or otherwise of any suit or other legal process intended to be filed or initiated against the Company and/affecting the title to the Company's properties or if a receiver is appointed of any of its properties or business or undertaking;

l. promptly inform the Trustee of any event likely to have a substantial effect on the Company's



profits or business and of any material changes in the rate of production or sales of the Company with an explanation of the reasons therefore;

m. promptly inform the Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

n. not undertake or permit any merger, consolidation, reorganisation scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction without informing the Debenture Trustee.

o. shall furnish quarterly report to the Trustee containing the following particulars:

i. Updated list of the names and addresses of the Debenture Holders.

ii. Details of the interest due, but unpaid and reasons thereof.

iii. The number and nature of grievances received from the Debenture Holders and (a) resolved by the Company and (b) unresolved by the company and the reasons for the same.

iv. A statement that those assets of the Company which are available by way of security are sufficient to discharge the claims of the Debenture Holders for the secured Debentures as and when they become due.

v. periodical status/performance reports within 7 (seven) days of the relevant board meeting or within 45 (forty-five) days of the respective quarter whichever is earlier.

p. promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Trustee and shall advise the Trustee periodically of the compliance.

q. promptly inform the Trustee about any change in the composition of its board of directors which may amount to change in control as defined in Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

r. comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

s. ensure Implementation of the conditions as specified under Part B for creation of Security for the Debentures and provide all documents for preparing Due Diligence Report for the Security and monitoring of Security Cover.

t. undertakes that the permission/consent from the prior creditors for creation of further charge being created under this Deed, where applicable, in favour of the trustees to the proposed issue has been obtained.

u. The Issuer shall ensure that the audited financial statements disclosed in the Placement Memorandum, as the case may be, should not be more than 6 (six) months old from the date of filing Placement Memorandum or the Issue Opening Date.

v. The Issuer shall treat all applicants to an issue of Debentures in a fair and equitable manner as per the procedures as may be specified by the Board.



w. The Issuer shall not employ any device, scheme, or artifice to defraud in connection with issue or subscription or distribution of Debentures which are listed or proposed to be listed on the recognized stock exchange(s).

x. The Issuer shall apply for Securities and Exchange Board of India Complaints Redress System (SCORES) authentication in the format specified by the Board and shall use the same for all issuance of Debentures.

y. The Issuer shall disclose details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 (three) years including the current financial year.

z. submit such information to Debenture Trustee, as required by it.

aa. In order to ensure efficient recording of details regarding creation of security and monitoring of covenants via the system hosted by Depositories using the Distributed Ledger Technology (DLT), various stakeholders, including the Issuer shall ensure that it is in compliance of SEBI circulars SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2021/618 dated August 13, 2021 and SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 38 dated March 29, 2022 and various circulars issued in respect of the DLT system issued by SEBI from time to time.

bb. The Company shall submit to the Debenture Trustee on quarterly basis:

i. carry out the necessary due diligence and monitor the security cover in the manner as may be specified by the SEBI from time to time.

ii. The Company shall submit to the Debenture Trustee on half yearly basis-

iii. Certificate from Statutory Auditor regarding Security Cover and Issuer's compliance with the covenants as contained in the Debenture Documents.

iv. Additional Covenants applicable only in respect of Debentures issued under RBI Guidelines only:

v. The Trustee shall report within 3 (three) days from the date of completion of the issue of Debentures, the issuance details of the Debentures (in the prescribed format) to the Chief General Manager, Financial Markets Department, Reserve Bank of India, Central Office, Fort, Mumbai – 400 001;

vi. The Trustee shall submit to the Reserve Bank of India (on a quarterly basis) a report (in the prescribed format) on the Outstanding Amount of Debentures maturity up to 1 (one) year;

vii. The Trustee shall report, immediately on the occurrence of default pertaining to repayment of Debentures, full particulars of defaults in repayment of the Debentures;

viii. The Company shall create the security, as required to be created hereunder, within the period as stipulated under the applicable law/guidelines, in the event the Company fails to create the security as required to be created hereunder, then:

(i) the Company shall ensure that the Directors of the Company indemnifies the Debenture Holders for any loss that may be suffered by the Debenture Holders on account of the subscription to the secured Debentures;

(ii) the Company shall refund the subscription amount of the secured Debentures and shall pay default interest of at least 2% (two percent) per annum over and above the coupon rate till the execution



of security documents.

ii. Debenture Redemption Reserve:

i. As per Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, debenture redemption reserve is not required to be created for issue of privately placed debentures by Non-Banking Financial Companies registered with the Reserve Bank of India under Section 45 (1) A of the RBI (Amendment) Act, 1997.

ii. The Company hereby agrees and undertakes that, if required to do so, it would create a Debenture Redemption Reserve (“DRR”) as per the provisions of the Act and the guidelines issued by the SEBI, and if during the currency of this Deed, any guidelines are formulated (or modified or revised) by the Central Government or any government agency or corporation having authority under law in respect of creation of DRR, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee. Where applicable, the Company shall submit to the Debenture Trustee a certificate duly certified by the auditors of the Company certifying that the Company has transferred a suitable sum to DRR at the end of each financial year.

jj. Recovery Expense Fund

The Company shall create the recovery expenses funds in terms of Regulation 15(1)(h) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Regulation 11 of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI Circular dated October 22, 2020 bearing reference SEBI/HO/MIRSD/CRADT /CIR/P/2020/207 in the manner as may be specified by the SEBI from time to time. Further, Company hereby agrees and undertakes to comply with the provisions of recovery expenses as per Applicable Laws.

kk. In case of initiation of forensic audit, the following disclosures shall be made to the BSE/NSE by the Issuer:

a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;

b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

ll. Documents and Certificates

a) The Company hereby covenant and undertake that it shall furnish the following documents/information/reports/certification, as applicable, to Debenture Trustee to enable the Debenture Trustee to submit the same to Stock Exchange(s) within the timelines mentioned below or such amended timelines as provided by SEBI from time to time:

Reports/Certificate	Periodicity	Format
1. Security Cover Certificate to the Stock Exchange	For Q1, Q2 and Q3- Within 75 (seventy-five) days from end of	Annexure A as per SEBI Circular dated 19.05.2022
2. Website disclosure of the Security Cover Certificate; and	each quarter except last quarter of financial year	
3. Quarterly compliance report.	For Q4- Within 90 days from the end of financial year	
Valuation report and title search report to the Stock Exchange(s) as applicable*	Once in 3 (three) years within 75 (seventy-five) days from end of each financial year.	-

\* in case of pari-passu charge, wherein multiple Debenture Trustees are holding charge over the same assets, a lead Debenture Trustee may be decided amongst the Debenture Trustees based upon the



amount of the charge each Debenture Trustee holds and accordingly the exercise of carrying out the valuation and preparation of the valuation report may be carried out by the lead Debenture Trustee.

b) Ensure Implementation of the conditions as specified under Part B for creation of Security for the Debentures and provide all documents for preparing Due Diligence Report for the Security and monitoring of Security Cover.

c) Undertakes that the permission/consent from the Existing Debenture/Charge Holders for the creation of further charge being created under this Deed, where applicable, in favour of the Debenture Trustee to the proposed issue has been obtained.

d) The Debenture Trustee shall be required to carry out the due diligence of the Security prior to Security creation and a continuous, quarterly, periodic basis and submit a Due Diligence Report in accordance with the provisions of the SEBI Act, its various rules, regulations and circulars issued by the SEBI from time to time.

mm. Roles and Responsibilities of Debenture Trustee:

1. The Company shall *inter-alia* furnish to the Debenture Trustee the following documents:
  - i) Memorandum and Articles of Association of the Company;
  - ii) Prospectus / Placement Memorandum / Disclosure Document;
  - iii) Agreement with the Registrar to Issue;
  - iv) Letters from Credit Rating Agencies about Ratings;
  - v) Details of the Depository with whom the Debentures are being held in dematerialized form;
  - vi) Debenture Documents;
  - vii) Valuation Report;
  - viii) Due Diligence Report of the Security prior to Security creation and on quarterly basis;
  - ix) Report on quarterly basis on the monitoring of Security Cover in the manner as may be specified by the Board from time to time;
  - x) This Debenture Trustee Appointment Agreement;
  - xi) Necessary resolution for allotment of Debentures;
  - xii) Proof of Credit / Dispatch of Debenture Certificates;
  - xiii) Copy of last three years' Audited Annual Reports;
  - xiv) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
  - xv) Copy of the Latest Audited/ Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any;
  - xvi) the Issuer shall within 180 (one hundred eighty) days from the end of the financial year, submit a copy of the latest annual report to the Trustee;
  - xvii) Debenture Trust Deed;
  - xviii) ROC Certificate;
  - xix) Security documents;
  - xx) Confirmation/Proofs of payment of interest and principal made to the Debenture Holders;
  - xxi) A Certificate from Statutory Auditor regarding Security Cover and Issuer's compliance with the covenants as contained in the Debenture Documents on half yearly basis;
  - xxii) A Certificate from Statutory Auditor regarding utilisation of funds/issue proceeds;
  - xxiii) Periodical Reports on monthly basis or as may be required by the Debenture Trustee or the Debenture Holders;
  - xxiv) A copy of all notices, resolutions and circulars relating to new issue of security at the same time as they are sent to shareholders/ holders of debt securities;
  - xxv) Information to be submitted to the BSE/NSE, as and when required;
  - xxvi) Beneficiary Position reports;
  - xxvii) Insurance Policies taken in the name of Debenture Trustee in respect of the Securities;
  - xxviii) In Principle approval for Listing of NCDs from the BSE/NSE;



- xxix) A copy of all information required to be provided by the Company under Applicable Law requirements to any Governmental Authority and, or, under the Listing Agreement to the BSE/NSE;
- xxx) Details of the recovery expenses fund to be created by the Company in the manner as may be specified by the SEBI from time to time alongwith duly acknowledged letter / confirmation from stock exchange on the amount of such fund maintained and the mode of maintenance.
- xxxi) Bank account details of the Company alongwith copy of pre-authorisation letter issued by Company to it's banker in relation to the payment of redemption amount;
- xxxii) Listing & Trading Permission from the BSE/NSE; and
- xxxiii) Such other documents and certificates as may be reasonably required by the Debenture Trustee.

2. The Debenture Trustee agrees and undertakes that it is not restricted from acting as the debenture trustee for the Debentures to be issued by the Company under any Applicable Law including under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and that neither the Company nor its promoters or directors have been categorised as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India (RBI).

### **3. Terms of carrying out due diligence:**

The Debenture Trustee, either through itself or its agents/advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the disclosure documents and the relevant laws, has been obtained. For the purpose of carrying out the due diligence as required, the Debenture Trustee, either through itself or its agents /advisors /consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants /lawyers/technical experts/management consultants appointed by the Debenture Trustee.

4. The Debenture Trustee shall have the power to independently appoint, intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All reasonable costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

5. In the instance of change / addition of security for the present issuance, Debenture Trustee shall ensure that the guidelines for due diligence which were prescribed for the primary security apply similarly to additional security in compliance with the SEBI Circular no. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/106 dated August 4, 2022.

6. In order to ensure efficient recording of details regarding creation of security and monitoring of covenants via the system hosted by Depositories using the Distributed Ledger Technology (DLT), various stakeholders, including Issuer and Debenture Trustee shall ensure that they are in compliance of SEBI circulars SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2021/618 dated August 13, 2021 and SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 38 dated March 29, 2022 and various circulars issued in respect of the DLT system issued by SEBI from time to time.



**Annexure L – Asset Liability Management (ALM) Disclosures as mentioned in SEBI Circular No. CIR/IMD/DF/12/2014 dated June 17, 2014 and Circular No. CIR/IMD/DF/6/2015 dated September 15, 2015**

(A) Type of loans:

The detailed break-up of the type of loans and advances including bills receivables given by our Company as on 31<sup>st</sup> March 2023 is as follows:

Sr. No.	Type of Loans	Amount (in Lakhs)
1.	Secured	18,34,980.84
2.	Unsecured	3,95,479.21
	Less: Impairment Loss Allowance	(29,835.09)
<b>Total</b>		<b>19,50,374.70</b>

Denomination of loans outstanding by loan-to-value:

		2023	2022	2021
Sr. No.	LTV (at the time of origination)	Percentage of AUM	Percentage of AUM	Percentage of AUM
1.	Up to 40%	18.15%	30.49%	30.60%
2.	40%-50%	13.23%	12.27%	18.29%
3.	50%-60%	18.48%	12.29%	13.57%
4.	60%-70%	25.00%	10.22%	8.75%
5.	70%-80%	17.97%	14.49%	7.55%
6.	80%-90%	6.81%	3.08%	3.79%
7.	>90%	0.37%	8.08%	9.67%

Sectoral exposure:

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM Mar 2021	Percentage of AUM Mar 2022	Percentage of AUM Mar 2023
<b>1</b>	<b>Retail</b>	<b>17%</b>	<b>33.08%</b>	<b>40.77%</b>
A	Mortgages (home loans and loans against property)	11%	22.31%	28.14%
B	Gold loans	0%	0.00%	0.00%
C	Vehicle finance	0%	0.00%	0.00%
D	MFI	0%	0.00%	0.00%
E	MSME	0%	0.53%	0.51%
F	Capital market funding (loans against shares, margin funding)	0%	0.09%	0.00%
g	Others	5%	10.15%	12.12%
<b>2</b>	<b>Wholesale</b>	<b>83%</b>	<b>66.92%</b>	<b>59.16%</b>
A	Infrastructure	0%	0.00%	0.00%
B	Real estate (including builder loans)	14%	6.90%	5.98%
C	Promoter funding	2%	0.00%	0.00%
D	Any other sector (as applicable)	0%	0.00%	0.00%



Sl. No.	Segment-wise break-up of AUM	Percentage of AUM Mar 2021	Percentage of AUM Mar 2022	Percentage of AUM Mar 2023
E	Others	67%	60.01%	53.18%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Geographical classification of borrowers:

		2023	2022	2021
Sr. No.	Top 5 states	Percentage of AUM	Percentage of AUM	Percentage of AUM
1.	Karnataka	10.00%	6.70%	7.72%
2.	Delhi, NCR, Haryana & Punjab	17.34%	30.62%	18.04%
3.	AP & TS	11.73%	10.64%	9.45%
4.	West Bangal & East Region	5.27%	6.71%	7.80%
5.	Mumbai (MMR)	28.48%	37.09%	37%

(B) Details of top 20 borrowers with respect to concentration of advances as on 31<sup>st</sup> March 2023:

Concentration of Advances\*

Particulars	Amount (in Lakhs) O/s
Total Advances to Twenty Largest Borrowers	3,59,291.96
Percentage of Advances to Twenty Largest Borrowers to Total Advances	15.59%

\*Advances include borrower contractual outstanding balances Concentration of Exposures\*

Particulars	Amount (in Crores) Exposure
Total Exposure to Twenty Largest Borrowers / customers	3,67,509.95
Percentage of Exposures to Twenty Largest Borrowers // Customers to Total Exposure of Axis Finance on borrowers / customers	14.95%

\*As per RBI Master Circular DBR.No.Dir.BC.12/13.03.00/2015-16, Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure (including underwriting and similar commitments). The sanctioned limits or outstandings, whichever are higher, has been reckoned for arriving at the same

(C) Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on 31<sup>st</sup> March 2023:

Movement of Gross NPAs

Sr. No.	Particulars	Amount (in lakhs)
1.	Opening Balance	20,397.25
2.	Addition during the period	9,794.85
3.	Reduction during the period	16,501.61
4.	Closing Balance	13,689.70



Movement of provisions for NPAs (excluding provisions on standard assets)

Sr. No.	Particulars	Amount (in Lakhs)
1.	Opening Balance	13,432.03
2.	Provisions made during the period	3,905.83
3.	Write-off/write-back of excess provision	(9,506.73)
4.	Closing Balance	7,831.13

Sl. No.	Segment-wise Gross NPA	Gross NPA % Mar 2021	Gross NPA % Mar 2022	Gross NPA % Mar 2023
<b>1</b>	<b>Retail</b>	<b>0.09%</b>	<b>0.13%</b>	<b>0.23%</b>
A	Mortgages (home loans and loans against property)	0.02%	0.03%	0.14%
B	Gold loans	0.00%	0.00%	0.00%
C	Vehicle finance	0.00%	0.00%	0.00%
D	MFI	0.00%	0.00%	0.00%
E	MSME	0.00%	0.00%	0.00%
F	Capital market funding (loans against shares, margin funding)	0.00%	0.00%	0.00%
g	Others	0.07%	0.10%	0.09%
<b>2</b>	<b>Wholesale</b>	<b>2.72%</b>	<b>1.05%</b>	<b>0.36%</b>
A	Infrastructure	0.00%	0.00%	0.00%
B	Real estate (including builder loans)	2.18%	0.99%	0.36%
C	Promoter funding	0.00%	0.00%	0.00%
D	Any other sector (as applicable)	0.00%	0.00%	0.00%
E	Others	0.53%	0.06%	0.00%
	<b>Total</b>	<b>2.80%</b>	<b>1.18%</b>	<b>0.59%</b>

Residual/ Asset Liability Management Maturity pattern of certain items of Assets and Liabilities  
(as of 31<sup>st</sup> March 2023)

(in crores)

Item	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	306.69	326.14	301.55	1,134.87	2,590.71	8,577.34	3,681.71	5,087.24	22,006.25
Investments		460.22	49.29	0.21	0.47		300.00	99.14	909.33
Borrowings	83.00	1,264.86	993.63	927.25	2,188.29	8,163.24	5,246.73	1,134.84	20,001.84



*Series – AFL 06/2023-24*

*Security Name – 8.28% Unsecured NCDs, Axis Finance  
Limited, 2033*

*Date – October 25, 2023  
Private & Confidential  
For Private Circulation Only*

**Annexure M – Due Diligence Certificate**

*[attached separately]*



**CONFIDENTIAL**

RL/ENAMF/322153/SUBDEBT/0723/65115/70981267/3

October 11, 2023

**Mr. Amith Iyer**  
Chief Finance Officer  
**Axis Finance Limited**  
Axis House, C-2  
Wadia International Centre  
P B Marg Worli  
Mumbai City - 400025



Dear Mr. Amith Iyer,

**Re: CRISIL Rating on the Subordinated Debt Aggregating Rs.1200 Crore of Axis Finance Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letters dated September 06, 2023 bearing Ref. no.:

RL/ENAMF/322153/SUBDEBT/0723/65115/70981267/2

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Subordinated Debt	1200	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subhasri Narayanan  
Director - CRISIL Ratings

Nivedita Shibu  
Associate Director - CRISIL Ratings



**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301

**CRISIL Ratings Limited**  
A subsidiary of CRISIL Limited, an S&P Global Company  
Corporate Identity Number: U67100MH2019PLC326247



Mr. Bipin Saraf  
Managing Director  
Axis Finance Limited  
1st Floor, Axis House  
Wadia international Center,  
PB Marg Worli,  
Mumbai- 400025

October 11, 2023

*Dear Sir/Madam,*

***Re: Rating Letter of Axis Finance Limited***

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of:

- INR15,000mn Tier II subordinated bonds: IND AAA/Stable
- INR5,000mn Principal protected market linked debenture: IND PP-MLD AAA /Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein.



The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,

India Ratings



**Pankaj Naik**  
Director



**Rakesh Valecha**  
Senior Director

#### Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
Tier II Subordinated Bonds	INE891K08034	05/08/2016	0.088	05/08/2026	IND AAA/Stable	2000
Tier II Subordinated Bonds	INE891K08042	11/05/2017	0.085	11/05/2027	IND AAA/Stable	1000
Tier II Subordinated Bonds	INE891K08042	11/05/2017	0.085	11/05/2027	IND AAA/Stable	500
Tier II Subordinated Bonds	INE891K08042	11/05/2017	0.085	11/05/2027	IND AAA/Stable	500
Tier II Subordinated Bonds	INE891K08059	14/09/2017	0.0808	14/09/2027	IND AAA/Stable	500
Tier II Subordinated Bonds	INE891K08059	14/09/2017	0.0808	14/09/2027	IND AAA/Stable	250
Tier II Subordinated Bonds	INE891K08059	14/09/2017	0.0808	14/09/2027	IND AAA/Stable	250
Tier II Subordinated Bonds	INE891K08067	15/02/2021	0.0745	14/02/2031	IND AAA/Stable	700
Tier II Subordinated Bonds	INE891K08075	10/06/2021	0.074	10/06/2031	IND AAA/Stable	1000
Tier II Subordinated Bonds	INE891K08091	06/12/2021	0.0742	05/12/2031	IND AAA/Stable	750
Tier II Subordinated Bonds	INE891K08133	26/09/2022	0.0807	24/09/2032	IND AAA/Stable	1000



Tier II Subordinated Bonds	INE891K08141	28/11/2022	0.0806	26/11/2032	IND AAA/Stable	2000
Tier II Subordinated Bonds (Unutilised)					IND AAA/Stable	4550
Principal Protected Market Linked Debenture	INE891K07515	06/01/2020	7.35	30/06/2022	WD	260
Principal Protected Market Linked Debenture	INE891K07549	05/06/2020	7	05/06/2023	WD	2000
Principal Protected Market Linked Debenture	INE891K07788	14/06/2022	7.35	13/06/2025	IND PP-MLD AAA/Stable	300
Principal Protected Market Linked Debenture (Unutilised)					IND PP-MLD AAA/Stable	4700

*Pankaj*



## Rating Rationale

July 03, 2023 | Mumbai

### Axis Finance Limited

*Ratings Reaffirmed*

#### Rating Action

Rs.11388.6 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.2300 Crore Subordinated Debt	CRISIL AAA/Stable (Reaffirmed)
Rs.900 Crore Perpetual Bonds	CRISIL AAA/Stable (Reaffirmed)
Rs.817.8 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.300 Crore Perpetual Bonds	CRISIL AAA/Stable (Reaffirmed)
Rs.6000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Non Convertible Debentures Aggregating Rs.6000 Crore	CRISIL AAA/Stable (Reaffirmed)
Subordinated Debt Aggregating Rs.1200 Crore	CRISIL AAA/Stable (Reaffirmed)
Rs.953.6 Crore Non Convertible Debentures	CRISIL AAA/Stable (Withdrawn)

*Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to annexure for Details of Instruments & Bank Facilities*

#### Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL AAA/Stable/CRISIL A1+' ratings on the debt instruments of Axis Finance Limited. CRISIL Ratings has **withdrawn** Rs 953.6 crore of non-convertible debentures as the same has been repaid as on date. Withdrawal is in line with CRISIL Ratings' withdrawal policy.

The rating on the perpetual bonds reflects the comfortable buffer consistently maintained by AFL over the regulatory capital adequacy requirements, and high financial flexibility due to Axis Bank Ltd's (rated 'CRISIL AAA/CRISIL AA+/Stable'/CRISIL A1+) ownership. AFL has maintained a cushion of >5% over the regulatory minimum capital ratio over the last seven years and CRISIL Ratings believes that it will maintain a comfortable cushion going forward (see CRISIL publication 'CRISIL Criteria for Rating Hybrid Instruments Issued by NBFCs/HFCs' dated December 2016 for details on CRISIL's approach for rating such instruments).

The ratings continue to reflect AFL's strategic importance to its parent Axis Bank Ltd. The shared name and logo enhance the moral obligation of Axis Bank to support AFL. The ratings also factor in the company's comfortable capitalisation and healthy earnings. These strengths are partially offset by its exposure to concentration risks inherent in the wholesale lending business model.

Under the RBI August 2020 and May 2021 Resolution Framework for COVID-19-related stress, the company has implemented restructuring on accounts amounting to Rs 15 crore as on March 31, 2023. AFL's ability to manage collections and asset quality will remain a key monitorable.

#### Analytical Approach

For arriving at the ratings, CRISIL Ratings has assessed the standalone credit risk profile of AFL and continues to factor in strong managerial and financial support from the parent Axis Bank. CRISIL Ratings believes AFL will receive distress support from the parent for timely repayment of debt, considering its strategic importance to, and the high moral obligation on, Axis Bank on account of 100% shareholding and shared brand.

#### Key Rating Drivers & Detailed Description

##### Strengths:

- Strong support from the parent given its strategic importance**

The ratings centrally factor in the support AFL receives from Axis Bank. The company is of strategic importance to the bank as it enhances the customer reach of the bank. AFL benefits from the operational and managerial support from the parent in formulation of credit policies, portfolio monitoring, and collection practices. The company's board comprises senior functional executive from Axis Bank, which ensures strong supervision of its performance by the bank. The company also benefits from regular capital support from the bank, which infused Rs 1475 crore cumulatively in the past nine years. CRISIL Ratings believes the close operational, managerial, and financial linkages, and sole ownership of AFL by Axis Bank imply a strong moral obligation on the parent to support AFL.

- Comfortable capital position**

AFL's capital position is comfortable, supported by absolute networth of Rs 3,172 crore as on March 31, 2023 (Rs 1,442 crore as on March 31, 2021), and regular capital infusion by Axis Bank. Axis Bank has infused Rs 400 crore each in fiscal 2022 and fiscal 2023. Further infusion of Rs 300 crore from Axis Bank is planned in fiscal 2024. Tier I and overall capital adequacy ratios were comfortably above the regulatory minimum, at 14.8% and 20.1%, respectively, as on March 31, 2023 (14.0% and 19.2%, respectively, as on March 31, 2022). Gearing has declined to 6.3 times as on March 31, 2023



from 6.7 times as on March 31, 2022 and is expected to remain under 7.5 times on a steady state basis. However, adjusted gearing<sup>[1]</sup> works out to 6.9 times due to off book transactions amounting to Rs 2026 crore. Networth coverage for net stage 3 assets increased to 54 times as on March 31, 2023 from 31 times as on March 31, 2022. CRISIL Ratings expects healthy accretion to reserves and capital support from the parent to keep AFL's capital position comfortable over the medium term.

- **Adequate earnings profile**

Earnings are marked by healthy net interest margin (NIM) and low operating expenditure. AFL reported profit after tax (PAT) of Rs 579 crore in fiscal 2023 as against PAT of Rs 346 crore in previous fiscal. Profitability is supported by growth in the loan book, income from direct assignment transactions and lower provisioning cost in fiscal 2023.

As the company was primarily engaged in wholesale lending, its operating expenditure has remained low. With diversification into retail finance from fiscal 2020, expenditure related to setting up of employee base and other infrastructure has resulted in, operating expenses increasing to 1.3% of average managed assets in fiscal 2023 as against 0.7% in fiscal 2019. Nevertheless, with ramp-up of the loan book, operating efficiency is expected to kick in over the medium term.

On account of decrease in stage 3 assets in fiscal 2023, the company's credit cost improved to 0.3% from 0.5% in fiscal 2022. Nevertheless, given the challenging macroeconomic environment and wholesale nature of the business as well as expansion into vulnerable retail segments, the ability of the management to limit credit costs will be a monitorable.

**Weakness:**

- **Exposure to concentration risks inherent in the wholesale lending business model**

The assets under management (AUM) grew by 47% in fiscal 2023 and stood at Rs 24,995 crore as on March 31, 2023 (Rs 17,059 crore as on March 31, 2022) whereas assets under finance (AUF) grew by 35% in fiscal 2023 to Rs 22,969 crore, out of which around 57% is towards wholesale lending. The loan book, although chunky, is backed by adequate collateral with only 9% being unsecured in wholesale book. However, with a view to further increase the granularity in the overall book and focus on SME/MSME segment, AFL launched 'Emerging market' segment in fiscal 2022 under which it offers secured loans with ticket size ranging from Rs 5 crores to Rs 25 crores. The AUF for this segment remains modest compared to other segments at Rs 1,704 crores (8% of the overall AUF) as on March 31, 2023, albeit higher than 4% as on March 31, 2022. The management is targeting this segment as one of the growth areas for AFL over medium term. Scalability of this business segment remains a monitorable.

As a part of its strategy to increase proportion of cash-flow backed exposures, the company has reduced its exposure to real estate financing to 6% of the loan book as on March 31, 2023 from 27% as on March 31, 2020. The current loan book is well diversified across sectors (including conglomerates, logistics, steel, pharma, cement, auto components, healthcare) and is primarily towards operating level companies and/or adequately backed by contracted/demonstrated cash flows. The rating distribution of the top exposures has remained stable as reflected in 96% of disbursements in fiscal 2023 being towards companies rated A- or above and cash flow backed deals. Furthermore, the company has increased its focus on collateralised loans (Lease Rental Discounting (LRD)/Loan against Property (LAP) exposures) to add granularity and further diversification in the wholesale book.

AFL has been investing in building up the retail franchise over the past 3 years and has diversified into retail finance segments such as LAP, home loans, personal loans, business loans etc. in fiscal 2020 to create a granular consumer lending franchise. The retail segment formed 43% of the AUF as on March 31, 2023 (33% as on March 31, 2022), the share is expected to increase further over medium term. Recently, the company has entered Affordable Housing Loans and Micro LAP segments. CRISIL Ratings believes AUM growth will remain steady over the medium term supported by improving geographical reach and a gradual increase in product offerings.

Overall asset quality improved in fiscal 2023 with stage 3 assets decreasing to 0.60% as on March 31, 2023, from 1.23% as on March 31, 2022 partly on account of lower slippages amounting to Rs 98 crore and higher write offs amounting to Rs 46 crore done during fiscal 2023 (vs. Rs 110 crore and Rs 31 crore respectively for fiscal 2022).

While AFL has put in place adequate risk management systems and processes, the ability of the management to limit slippages and recover stage 3 assets will remain a monitorable. The retail portfolio is largely unseasoned; thus performance of the same remains to be seen.

<sup>[1]</sup> CRISIL Ratings adjusted gearing number for non-banks includes all forms of on-balance sheet debt and fully derecognized off-book securitised assets (including direct assignment transactions). As per IND AS, direct assignment transactions qualify for complete derecognition due to their true sale nature

**Liquidity: Superior**

As on May 31, 2023, company has total debt obligation of ~Rs 1,905 crore, till August 31, 2023, of which Rs 410 crore comprises commercial paper. Against this, AFL had adequate liquid investments and unutilized bank lines as on the same date. AFL is active in raising resources from lenders and investors. Liquidity is also supported by the parent, Axis Bank, if required.

**Outlook: Stable**

CRISIL Ratings believes AFL will continue to benefit from the strong financial, managerial and operational support from Axis Bank. AFL is likely to maintain its comfortable capitalisation and adequate profitability.

In addition, the rating on the perpetual bonds remains sensitive to the capital buffer maintained by AFL over regulatory capital requirements and rating transition on these instruments could potentially be sharper than those on other debt



instruments.

### **Rating Sensitivity factors**

#### **Downward factors**

- Downward revision in the credit risk profile of Axis Bank by 1 notch could have a similar rating change on AFL.
- Diminution in expected support from Axis Bank, as a result of significant decline in the bank's ownership, or in strategic importance of AFL to Axis Bank.

### **About the Company**

AFL was incorporated as Kalpataru Hire Purchase and Leasing Pvt Ltd in 1995 and was acquired by Enam Securities in fiscal 2009 and renamed Enam Finance Pvt Ltd. It became a wholly owned subsidiary of Axis Bank as part of Enam Securities' merger with the bank in 2012, and got its present name. The company started full-fledged operations in fiscal 2014. It is a non-deposit-taking non-banking financial company based in Mumbai, with AUM of Rs 24,995 crore as on March 31, 2023 (Rs 17,059 crore as on March 31, 2022). Its key product offerings in the wholesale segment include corporate loans, collateralised loans, loan against property, lease rental discounting, real estate inventory backed financing etc. AFL diversified into retail segments with products such as LAP, home loans, business loans and personal loans in fiscal 2020. AUM in the retail segment stood at Rs 9,495 crore as on March 31, 2023. In fiscal 2022, AFL launched a new segment named as 'Emerging Markets' where the company offers secured loans to MSME/SME segment. AUM for this segment stood at Rs 1,704 crore as on March 31, 2023.

Profit after tax (PAT) stood at Rs 579 crore and total income (net of interest expense) stood at Rs 1130 crore in fiscal 2023, against a PAT of Rs 346 crore and total income (net of interest expense) of Rs 736 crore in fiscal 2022.

### **Key Financial Indicators**

As on / for the period ended March 31		2023	2022
Total assets	Rs crore	24007	17316
Total income	Rs crore	2326	1433
Profit after tax	Rs crore	579	346
Stage 3 assets	%	0.6	1.2
Gearing	Times	6.3	6.7
Adjusted gearing	Times	6.9	NA
Return on assets*	%	2.8	2.4

\*As per CRISIL Ratings calculations

**Any other information:** Not applicable

### **Note on complexity levels of the rated instrument:**

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

### **Annexure - Details of Instrument(s)**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs cr)	Complexity level	Rating assigned with outlook
INE891K08034	Subordinated Debt	5-Aug-16	8.80%	5-Aug-26	200	Complex	CRISIL AAA/Stable
INE891K08042	Subordinated Debt	11-May-17	8.50%	11-May-27	100	Complex	CRISIL AAA/Stable
INE891K08042	Subordinated Debt	11-May-17	8.50%	11-May-27	50	Complex	CRISIL AAA/Stable
INE891K08042	Subordinated Debt	11-May-17	8.50%	11-May-27	50	Complex	CRISIL AAA/Stable
INE891K08059	Subordinated Debt	14-Sep-17	8.08%	14-Sep-27	50	Complex	CRISIL AAA/Stable
INE891K08059	Subordinated Debt	14-Sep-17	8.08%	14-Sep-27	25	Complex	CRISIL AAA/Stable
INE891K08059	Subordinated Debt	14-Sep-17	8.08%	14-Sep-27	25	Complex	CRISIL AAA/Stable
INE891K08067	Subordinated Debt	15-Feb-21	7.45%	14-Feb-31	70	Complex	CRISIL AAA/Stable
INE891K08075	Subordinated Debt	10-Jun-21	7.40%	10-Jun-31	100	Complex	CRISIL AAA/Stable
INE891K08091	Subordinated Debt	6-Dec-21	7.42%	5-Dec-31	160	Complex	CRISIL AAA/Stable
INE891K08083	Perpetual Bonds	25-Aug-21	7.90%	31-Dec-99	200	Highly complex	CRISIL AAA/Stable



INE891K08117	Perpetual Bonds	31-Dec-21	7.76%	31-Dec-99	50	Highly complex	CRISIL AAA/Stable
INE891K07473	Debenture	27-Jun-19	8.40%	27-Jun-23	40	Simple	CRISIL AAA/Stable
INE891K07481	Debenture	6-Aug-19	8.30%	6-Aug-24	5	Simple	CRISIL AAA/Stable
INE891K07572	Debenture	16-Sep-20	6.50%	16-Sep-24	300	Simple	CRISIL AAA/Stable
INE891K07598	Debenture	14-Dec-20	5.25%	14-Dec-23	150	Simple	CRISIL AAA/Stable
INE891K07655	Debenture	24-May-21	5.50%	24-May-24	500	Simple	CRISIL AAA/Stable
INE891K08075	Debenture	10-Jun-21	7.40%	10-Jun-31	100	Simple	CRISIL AAA/Stable
INE891K07663	Debenture	21-Jun-21	5.72%	21-Jun-24	300	Simple	CRISIL AAA/Stable
INE891K07671	Debenture	28-Jun-21	7.27%	26-Jun-31	250	Simple	CRISIL AAA/Stable
INE891K07705	Debenture	22-Sep-21	6.55%	22-Sep-26	350	Simple	CRISIL AAA/Stable
INE891K07713	Debenture	29-Sep-21	6.10%	29-Sep-25	200	Simple	CRISIL AAA/Stable
INE891K07721	Debenture	18-Nov-21	6.80%	18-Nov-26	500	Simple	CRISIL AAA/Stable
INE891K07739	Debenture	30-Nov-21	5.95%	29-Nov-24	300	Simple	CRISIL AAA/Stable
INE891K07747	Debenture	17-Dec-21	6.05%	17-Dec-24	500	Simple	CRISIL AAA/Stable
INE891K07754	Debenture	25-Feb-22	6.30%	25-Feb-25	500	Simple	CRISIL AAA/Stable
INE891K07762	Debenture	30-Mar-22	6.80%	30-Mar-26	250	Simple	CRISIL AAA/Stable
INE891K07770	Debenture	6-May-22	6.75%	6-May-25	300	Simple	CRISIL AAA/Stable
NA	Debenture#	NA	NA	NA	12561.4	Simple	CRISIL AAA/Stable
NA	Subordinated Debt#	NA	NA	NA	2670	Complex	CRISIL AAA/Stable
NA	Perpetual Bonds#	NA	NA	NA	950	Highly Complex	CRISIL AAA/Stable
NA	Commercial paper	NA	NA	7-365 days	6000	Simple	CRISIL A1+
INE891K07804	Debenture	25-Aug-22	7.51%	24-Oct-25	300	Simple	CRISIL AAA/Stable
INE891K08133	Debenture	26-Sep-22	8.07%	24-Sep-32	100	Simple	CRISIL AAA/Stable
INE891K08141	Debenture	28-Nov-22	8.06%	26-Nov-32	200	Simple	CRISIL AAA/Stable
INE891K07853	Debenture	26-May-23	7.95%	26-May-28	500	Simple	CRISIL AAA/Stable

#Yet to be issued

**Annexure - Details of Ratings withdrawn**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs cr)	Complexity Level	Rating assigned with outlook
INE891K07499	Debenture	6-Aug-19	8.25%	3-Aug-22	45	Simple	Withdrawn
INE891K07499	Debenture	29-Aug-19	7.90%	3-Aug-22	41.6	Simple	Withdrawn
INE891K07507	Debenture	25-Nov-19	7.60%	3-Nov-22	67	Simple	Withdrawn
INE891K07606	Debenture	21-Dec-20	5.00%	21-Dec-22	400	Simple	Withdrawn
INE891K07614	Debenture	24-Feb-21	Zero Interest	15-Sep-22	150	Simple	Withdrawn
INE891K07648	Debenture	30-Apr-21	Zero Interest	10-May-23	250	Simple	Withdrawn

**Annexure - Rating History for last 3 Years**

		Current		2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating



<b>Commercial Paper</b>	ST	6000.0	CRISIL A1+		--	28-07-22	CRISIL A1+	03-08-21	CRISIL A1+	26-06-20	CRISIL A1+	CRISIL A1+
			--		--		--	30-06-21	CRISIL A1+		--	--
<b>Commercial Paper Programme(IPO Financing)</b>	ST		--		--	28-07-22	Withdrawn	03-08-21	CRISIL A1+	26-06-20	CRISIL A1+	CRISIL A1+
			--		--		--	30-06-21	CRISIL A1+		--	--
<b>Non Convertible Debentures</b>	LT	18206.4	CRISIL AAA/Stable		--	28-07-22	CRISIL AAA/Stable	03-08-21	CRISIL AAA/Stable	26-06-20	CRISIL AAA/Stable	CRISIL AAA/Stable
			--		--		--	30-06-21	CRISIL AAA/Stable		--	--
<b>Perpetual Bonds</b>	LT	1200.0	CRISIL AAA/Stable		--	28-07-22	CRISIL AAA/Stable	03-08-21	CRISIL AAA/Stable		--	--
<b>Subordinated Debt</b>	LT	3500.0	CRISIL AAA/Stable		--	28-07-22	CRISIL AAA/Stable	03-08-21	CRISIL AAA/Stable	26-06-20	CRISIL AAA/Stable	CRISIL AAA/Stable
			--		--		--	30-06-21	CRISIL AAA/Stable		--	--

All amounts are in Rs.Cr.

## Criteria Details

### Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

Media Relations	Analytical Contacts	Customer Service Helpdesk
<b>Aveek Datta</b> Media Relations <b>CRISIL Limited</b> M: +91 99204 93912 B: +91 22 3342 3000 <a href="mailto:AVEEK.DATTA@crisil.com">AVEEK.DATTA@crisil.com</a>	Ajit Velonie Senior Director <b>CRISIL Ratings Limited</b> B: +91 22 3342 3000 <a href="mailto:ajit.velonie@crisil.com">ajit.velonie@crisil.com</a>	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301
<b>Prakruti Jani</b> Media Relations <b>CRISIL Limited</b> M: +91 98678 68976 B: +91 22 3342 3000 <a href="mailto:PRAKRUTI.JANI@crisil.com">PRAKRUTI.JANI@crisil.com</a>	Subhasri Narayanan Director <b>CRISIL Ratings Limited</b> B: +91 22 3342 3000 <a href="mailto:subhasri.narayanan@crisil.com">subhasri.narayanan@crisil.com</a>	For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a>
<b>Rutuja Gaikwad</b> Media Relations <b>CRISIL Limited</b> B: +91 22 3342 3000 <a href="mailto:Rutuja.Gaikwad@ext-crisil.com">Rutuja.Gaikwad@ext-crisil.com</a>	KRUSHIKA Vishal KHANNA Senior Rating Analyst <b>CRISIL Ratings Limited</b> B: +91 22 3342 3000 <a href="mailto:KRUSHIKA.KHANNA@crisil.com">KRUSHIKA.KHANNA@crisil.com</a>	For Analytical queries: <a href="mailto:ratingsinvestordesk@crisil.com">ratingsinvestordesk@crisil.com</a>







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# India Ratings Affirms Axis Finance and its NCDs at 'IND AAA'/Stable; CP Affirmed at 'IND A1+'

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Jun 28, 2023 | Non Banking Financial Company (NBFC)

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India Ratings and Research (Ind-Ra) has affirmed Axis Finance Limited's (AFL) Long-Term Issuer Rating at 'IND AAA'. The Outlook is Stable. The instrument-wise rating actions are given below:



Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Long-term bank loan\$	-	-	-	INR250,000 (increased from INR230,000)	IND AAA/Stable	Affirmed
Non-convertible debentures (NCDs) *				INR160,000	IND AAA/Stable	Affirmed
NCDs *				INR20,000	IND AAA/Stable	Assigned
Tier II subordinated bonds *	-	-	-	INR15,000	IND AAA/Stable	Affirmed
Commercial paper (CP)			1 to 365 days	INR60,000	IND A1+	Affirmed
CP			1 to 365 days	INR40,000	WD	Withdrawn (the company did not proceed with the instrument as envisaged)
Short-term bank loan\$	-	-	-	INR20,000	IND A1+	Affirmed
Principal protected market linked debenture *\$				INR5,000	IND PP-MLD AAA /Stable	Affirmed

\*Details in Annexure;

#yet to be issued;

\$The total bank loans limit of INR2,70,000 million stands fungible between long-term bank loan and short-term bank loan.

PP-MLD refers to the full principal protection in the equity linked notes wherein the issuer is obligated to pay the full principal upon maturity.

**Analytical Approach:** AFL's ratings continue to be driven by Ind-Ra's continued expectation of support from its 100% parent, Axis Bank Limited (ABL; 'IND AAA/Stable'), if required.

## Key Rating Drivers



**Demonstrated Ongoing Parent Support:** AFL's ratings continue to be driven by ABL's credit strength and the strong operational and business linkages between the two entities. AFL is core to ABL's business and operations under its 'One Axis' strategy, and provides synergistic benefits to the Axis group. AFL has eight members on its board, with Amitabh Chaudhry, ABL's managing director and chief executive officer, acting as the non-executive chairman of the company. In addition, AFL shares office premises with ABL, with AFL's registered and corporate office being located in Axis House. AFL also continues to receive support and oversight from ABL in all its functional areas, including risk and compliance.

ABL has supported AFL's growth and capital levels by regularly infusing equity in the latter. The last equity infusion was of INR4 billion in FY23. ABL plans to infuse an additional INR3 billion in AFL in FY24. ABL also provides AFL with back-up funding lines of INR12.75 billion and operational oversight on an ongoing basis. All policies related to credit and human resources of AFL are approved under the oversight of ABL.

**Ongoing Product Mix Shift towards Retail Continuing:** In the past two-to-three years, the company has discontinued loan against shares and has scaled down real estate financing to 6.1% (FY22 :7.0%, FY21:16.3%) of the overall assets under finance (AUF), with plans to maintain the same below 10% of the overall AUF. In FY23, nearly 80% of the disbursements in the corporate book were to companies rated 'A-' or above (FY22:96%, FY21: 88%; FY20: 53%), with 91% of the total wholesale AUF being secured. The company has been focusing more on corporate loans that are in operating level companies or are adequately backed by contracted/demonstrated cash flows. Collateralised loans (lease rental discounting/loan against property/exposures to certain other focus sectors) are an additional focus area to add granularity and diversification in the wholesale book.

The share of the wholesale book in the overall AUF reduced to 49.1% in FY23 from 60.3% in FY20. To granulise the portfolio in FY23, AFL also started focusing on lending to emerging corporates, with ticket sizes of INR50 million-250 million; the segment contributed 7.67% (FY22:3.8%) to the portfolio at FYE23. The company plans to continue to focus on this segment. The agency expects this shift towards retailisation to continue in FY24 and beyond, such that the mix of retail assets in the overall product mix eventually increases to 65%-70% in long term (including emerging corporates). The AUF consists of loans, investments in the form credit substitutes, and high quality liquid assets, of which 96% is constituted by loans.

**Expanding Geographic Presence to Support Retail Loan Growth:** AFL embarked on the retailisation process in a bid to diversify its portfolio, and over FY19-FY23, the company introduced new lines of retail lending such as loan against property, business loans, salaried personal loans and affordable housing loans. AFL has been leveraging the Axis group's ecosystem in the tier-1 and tier-2 geographies, where the branch-led distribution of these products is underway; as a result, the share of retail products in the overall portfolio increased to 41.34% at FYE23 (FYE22: 33.4%, FYE21: 16.8%). The company plans to scale the branch network to over 50 branches by March 2024 from 34 branches and also increase its presence to 300 locations from 200 locations; this will help AFL grow its retail book faster than its wholesale book. AFL plans to increase the proportion of retail loans to 50% of the total loans over the near-to-medium term. The agency opines that successful execution of the retail segments will improve growth scalability, provide granularity to the loan book, and result in higher yields. However, it will also lead to a higher operating cost structure compared to the earlier wholesale portfolio regime, which might result in increased credit cost as the book seasons.

**Margin Pressure Likely to Be Offset By Higher Fee Income; Control on Credit Cost is Key:** With the increasing exposure to better-rated corporates and declining proportion of high-yielding real estate loans in the overall AUF, AFL's calculated yield on loans increased to 10.67% in FY23 (FY22: 10.30%, FY21: 10.7%), though the increase was lower than expected in rising interest rate scenario. The net interest margins remained under pressure and fell to 4.70% in FY23 (FY22:5.38%, FY21:5.55%) due to an increase in the cost of funds to 6.89% (5.68%, 6.02%). However, better fee income realisation and lower credit costs compensated for the rise in operating expense from the rollout of retail infrastructure, thereby improving the overall profitability. The company's return on assets improved to 2.82% in FY23 (FY22: 2.45%). Also, AFL now has strong profitability buffers to absorb an elevated level of credit costs, with pre-provision operating profit to credit cost of 12.84x in FY23 (FY22: 7.37x; FY21: 3.16x). Ind-Ra expects the company's income to continue to be supported by fee income realisation, and assuming similar cost structure as FY23, the company's return on assets would remain around FY23 levels over the near-to-medium term.



**Liquidity Indicator - Adequate:** At end-May 2023, AFL had cash and cash equivalents of INR10.1 billion and unutilised bank lines of INR47.14 billion (including unutilised lines of INR12.75 billion from ABL) as against a debt repayment of INR19.05 billion over June-August 2023. AFL has adequate liquidity to cover its debt repayments and operating expenses for a minimum of three months, assuming nil inflows, and the agency understands that the on-balance sheet liquidity along with undrawn lines will be adequate to cover three months of liability repayments and operating expense while assuming nil inflows on an ongoing basis. The structural liquidity statement (on a contractual basis) for March 2023 shows a small positive cumulative gap of around 0.5% of the total assets in the short-term buckets up to one year. However, AFL is supported by sufficient undrawn bank lines, which can be utilised to cover the liquidity gaps in the short-term buckets. Ind-Ra also understands AFL has strong liquidity support from ABL towards meeting any shortfall in a contingency.

**Borrowing Profile Moving Away from High Reliance on Short-Term Funding through CP:** AFL's assets are funded through a mix of equity and borrowings. The borrowings are raised through a mix of loans from bank (52.5% of total borrowing), NCDs (35.4%), CPs (4.4%) and sub-debt (7.7%). During FY23, AFL reduced its reliance on CPs by replacing them with long-term borrowings. Consequently, the share of CP in the overall borrowing decreased to 4.4% in FY23 (FY22: 7.4%) from 26.5% in FY21. With the change in tenor loans on balance sheet and reduced focus on short-term loans, AFL intends to keep the share of CP below 10%-15%, and plans to increase the share of long tenor liability in the form of bank loans and NCDs.

**Recoveries Aid Improvement in Asset Quality; Unseasoned Book a Key Monitorable:** AFL's gross stage-3 assets declined to 0.60% at FY23 (FY22: 1.23%, FY21: 2.85%), mainly because of upgradation and recoveries and partly due to write-offs. Out of the total reduction of INR1.65 billion, the company wrote off INR0.40 billion in FY23. Notably, AFL had negligible restructured assets at FYE22 (0.07% of the AUF). Moreover, at FYE23, the company had emergency credit line guarantee scheme exposure of INR3.86 billion (1.7% of the AUF). The gross non-performing assets in the real estate funding portfolio was high at 5.8% in FY23 (FY22: 11.3%, FY21: 14.8%); however, adequate collateral (around 2x) and the backing of project cash flows in the real estate segment will keep the credit costs controlled. Furthermore, this book constituted just 6.1% of the overall AUF at FYE23. Also, AFL's exposure to sectors that have been severely impacted by COVID-19 (e.g. hospitality, malls, aviation, exhibition and so on) is minimal, as per the management. The company increased its stage-3 provision cover to 57.2% in FY23; this along with the negligible restructuring book at FYE23 and incremental corporate exposure to better rated corporates provide comfort to the asset quality. However, asset quality will be a key monitorable, given that AFL's portfolio is largely unseasoned, since it witnessed higher growth in AUF in FY22, and also due to the wholesale nature of the book.

**Elevated Leverage; Continued Dependence on Parent to Fund Equity:** The leverage (debt/equity) remained elevated in FY23 owing to its strong growth momentum but reduced to 6.50x (FY22: 7.06, FY21: 7.12x) due to fund infusions. The company aims to maintain its steady state debt/equity ratio between 7.0x-7.5x on a sustained basis over the medium term. ABL's capacity to extend equity support, whenever required, should support AFL's capital ratios and keep them well above the regulatory requirements. Ind-Ra believes the company is likely to require capital over the near term, given its intention to achieve loan growth of over 30%+ in FY24. The tier-I capital adequacy ratio for the company stood at 14.8% at FYE23 (FY22: 14.0%, FYE21: 13.1%). Ind-Ra expects continued equity infusion from ABL into AFL, considering the significant share of wholesale loans in the AUF mix, a high proportion of unseasoned portfolio, and the strong AUF growth plans in the near term.

**Operating in High-risk Segments:** AFL's AUF stood at INR229.7 billion at FYE23 (FY22: INR 170.6 billion, FYE21: INR110.9 billion). In terms of products, corporate loans constituted 32.1% of the AUF at FYE23 (FYE22: 41.7%), real estate funding 6.1% (7.0%), collateralised loans 11.2% (11.5%), emerging corporate loan 7.4% and retail loans 41.3% (33.4%). The agency believes that any macroeconomic stress could impact the asset quality of the company, given that 49.1% of its AUF continues to be wholesale in nature. There is high concentration in the company's corporate loan book. While AFL has been able to keep asset quality in the corporate segment under check so far, the concentration can lead to a sharp uptick in gross non-performing assets in case even one of the large exposures turns delinquent. That said, in line with its plan, the management has been reducing the concentration in the real estate funding.



## Rating Sensitivities

**Negative:** Any assessment of a decline in ABL's support expectation could lead to a rating downgrade. This could be in the form of material dilution of ownership, reduced operational oversight or otherwise. High AUF growth or a significant dilution in profitability buffers, not supported by timely equity infusions, could also lead to a negative rating action. In addition, any decline in ABL's issuer ratings could lead to a negative rating action.

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## Company Profile

AFL is a non-banking finance company. It has five key business lines - corporate loans, real estate funding, collateralised lending, emerging corporate lending and retail funding. At FYE23, the AUF stood at INR229.7 billion

### FINANCIAL SUMMARY

Particulars	FY23	FY22
Total assets (INR billion)	239.1	172.0
Total tangible equity (INR billion)	30.8	20.9
Net income (INR billion)	5.8	3.5
Return on average assets (%)	2.8	2.6
Equity/assets (%)	12.9	12.1
Tier 1 capital (%)	14.8	14.0
Source: AFL IND-AS		

## Non-Cooperation with previous rating agency

Not applicable

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## Rating History



Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating	29 June 2022	30 June 2021	27 May 2020
Issuer rating	Long-term	-	IND AAA/Stable	IND AAA/Stable/ IND A1+	IND AAA/Stable/ IND A1+	IND AAA/Stable/ IND A1+
CP	Short-term	INR60,000	IND A1+	IND A1+	IND A1+	IND A1+
Long-term bank loan	Long-term	INR2,50,000	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Short-term bank loan	Short-term	INR20,000	IND A1+	IND A1+	IND A1+	IND A1+
Tier II subordinated bonds	Long-term	INR15,000	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
NCDs	Long-term	INR1,80,000	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
PPMLD	Long-term	INR5,000	IND PP-MLD AAA /Stable	IND PP-MLD AAA emr/Stable	IND PP-MLD AAA emr/Stable	IND PP-MLD AAA emr/Stable

## Annexure

### Tier II Subordinated Bonds

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating/Outlook
INE891K08034	5 August 2016	8.80%	5 August 2026	2,000	IND AAA/Stable
INE891K08042	11 May 2017	8.50%	11 May 2027	1,000	IND AAA/Stable
INE891K08042	11 May 2017	8.50%	11 May 2027	500	IND AAA/Stable
INE891K08042	11 May 2017	8.50%	11 May 2027	500	IND AAA/Stable
INE891K08059	14 September 2017	8.08%	14 September 2027	500	IND AAA/Stable
INE891K08059	14 September 2017	8.08%	14 September 2027	250	IND AAA/Stable
INE891K08059	14 September 2017	8.08%	14 September 2027	250	IND AAA/Stable
INE891K08067	15 February 2021	7.45%	14 February 2031	700	IND AAA/Stable
INE891K08075	10 June 2021	7.40%	10 June 2031	1,000	IND AAA/Stable
INE891K08091	6 December 2021	7.42%	5 December 2031	750	IND AAA/Stable
INE891K08133	26 September 2022	8.07%	24 September 2032	1,000	IND AAA/Stable
INE891K08141	28 November 2022	8.06%	26 November 2032	2,000	IND AAA/Stable
<b>Limit Utilised</b>				<b>10,450</b>	
<b>Limit Unutilised</b>				<b>4,550</b>	
<b>Total</b>				<b>15,000</b>	

### NCDs

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount (INR million)
NCDs	INE891K07473	27 June 2019	8.4	27 June 2023	WD	400



NCDs	INE891K07481	6 August 2019	8.3	6 August 2023	IND AAA/Stable	50
NCDs	INE891K07523	7 February 2020	7.62	10 March 2023	WD	1,800
NCDs	INE891K07531	26 May 2020	7.45	26 May 2023	WD	7,750
NCDs	INE891K07556	15 June 2020	7.25	15 June 2023	WD	3,300
NCDs	INE891K07564	17 July 2020	6.15	17 July 2023	IND AAA/Stable	2,000
NCDs	INE891K07622	18 March 2021	5.8	17 March 2023	WD	1,050
NCDs	INE891K07630	25 March 2021	5.8	24 March 2023	WD	4,000
NCDs	INE891K07671	28 June 2021	7.27	26 June 2031	IND AAA/Stable	1,240
NCDs	INE891K07580	3 November 2020	4.95	3 November 2022	WD	900
NCDs	INE891K07689	9 September 2021	5.75	9 September 2024	IND AAA/Stable	900
NCDs	INE891K07697	9 September 2021	5.75	9 September 2024	IND AAA/Stable	1,700
NCDs	INE891K07705	22 September 2021	6.55	22 September 2026	IND AAA/Stable	1,700
NCDs	INE891K07713	29 September 2021	6.1	29 September 2025	IND AAA/Stable	1,250
NCDs	INE891K07721	18 November 2021	6.8	18 November 2026	IND AAA/Stable	4,000
NCDs	INE891K07747	17 December 2021	6.05	17 December 2024	IND AAA/Stable	5,000
NCDs	INE891K07754	25 February 2022	6.3	25 February 2025	IND AAA/Stable	3,500
NCDs	INE891K07762	30 March 2022	6.8	30 March 2026	IND AAA/Stable	2,500
NCDs	INE891K07796	13 July 2022	7.7	7 November 2025	IND AAA/Stable	2,500
NCDs	INE891K07812	9 August 2022	7.7	9 August 2027	IND AAA/Stable	1,000
NCDs	INE891K07762	17 November 2022	6.8	30 March 2026	IND AAA/Stable	2,000
NCDs	INE891K07820	23 February 2023	8.07	23 February 2028	IND AAA/Stable	2,630
NCDs	INE891K07838	20 March 2023	8.35	20 May 2026	IND AAA/Stable	3,850
NCDs	INE891K07846	3 May 2023	7.99	3 August 2026	IND AAA/Stable	3,000
<b>Limit Utilised</b>						38,820
<b>Limit Unutilised</b>						141,180
<b>Total</b>						180,000

## Principal Protected Market Linked Debenture

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating/Outlook
INE891K07515	6 January 2020	7.35	30 June 2022	260	WD(Paid in full)



INE891K07549	05 June 2020	7	5 June 2023	2000	WD (Paid in full)
INE891K07788	14 June 2022	7.35	13 June 2025	300	IND PP-MLD AAA/Stable
Limit utilised				300	
Limit unutilised				4,700	
<b>Total</b>				<b>5,000</b>	

## Bank wise Facilities Details

Click here to see the details

## Complexity Level of Instruments

Instrument Type	Complexity Indicator
Bank loans (short- and long-term facilities)	Low
NCDs	Low
PP-MLD	High
Subordinated debt	Moderate
CP	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Contact

### Primary Analyst

Ankit Jain

Senior Analyst

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40356160

For queries, please contact: [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

### Secondary Analyst

Karan Gupta

Director

+91 22 40001744

### Chairperson

Pankaj Naik

Director

+91 22 40001723

### Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121



## **APPLICABLE CRITERIA**

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### **Financial Institutions Rating Criteria**

### **Rating FI Subsidiaries and Holding Companies**

### **Rating of Financial Institutions Legacy Hybrids and Sub-Debt**

### **Non-Bank Finance Companies Criteria**

### **Evaluating Corporate Governance**

### **The Rating Process**

## **DISCLAIMER**

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CTL/23-24/02872

(Annexure II A)

**DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM  
(Applicable for Secured and Unsecured Issuances)**

To,  
The Manager,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai- 400001.

Dear Sir / Madam,

**SUB.: ISSUE 20,000 (TWENTY THOUSAND) OF RATED, FULLY PAID, TIER II, SUBORDINATED, RATED, LISTED, UNSECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH FOR CASH, AT PAR AGGREGATING TO RS. 200,00,00,000 (RUPEES TWO HUNDRED CRORES ONLY) (INCLUDING GREEN SHOE OPTION TO RETAIN OVER SUBSCRIPTION ON PRIVATE PLACEMENT BASIS AXIS FINANCE LIMITED.**

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed– **Not Applicable**.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies) – **Not Applicable**.
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities - **Not Applicable**.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement – **Not Applicable**.
- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application – **Not Applicable**.





- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

**Place: Mumbai**

**Date: September 21, 2023**

**For Catalyst Trusteeship Limited**

For CATALYST TRUSTEESHIP LIMITED



*pandey*  
Authorized Signatory

**Ms. Kalyani Pandey**  
**Compliance Officer**





**Singhi & Co.**  
Chartered Accountants  
B2 402B, Marathon Innova, 4th Floor  
Off Ganpatrao Kadam Marg,  
Lower Parel,  
Mumbai-400013, India

**B. K. Khare & Co.**  
Chartered Accountants  
706-708, Sharda Chambers  
New Marine Lines,  
Mumbai – 400 020, India

**Independent Auditors' Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To  
The Board of Directors  
Axis Finance Limited

**Report on the Audit of financial results**

**Opinion**

We have audited the accompanying Statement of Financial Results of Axis Finance Limited ("the Company" / "NBFC") for the quarter and half year ended September 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and half year ended September 30, 2023.

**Basis for Opinion**

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA's"), specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Results 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 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.

**Board of Directors' Responsibility for the Financial Results**

These financial results have been compiled from the interim financial statements. The Company's Board of Directors are responsible for the preparation of Statement that gives a true and fair view of the net profit, other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" specified under section 133 of the Act and other accounting principles generally accepted in India and in compliance with regulation 52 of the Listing Regulations. 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 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 Statement, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the Audit of the Financial Results**

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

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

- Identify and assess the risks of material misstatement of the financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statements, including the disclosures, and whether the 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.





**Singhi & Co.**  
Chartered Accountants

**B. K. Khare & Co.**  
Chartered Accountants

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.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration No.: 302049E

**For B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Shweta Singhal**  
Partner  
Membership No. 414420  
UDIN:- 23414420BGVLKB4777  
Place: Mumbai  
Date: October 20, 2023

**Aniruddha Joshi**  
Partner  
Membership No: 040852  
UDIN: 23040852BGURHN9004  
Place: Mumbai  
Date: October 20, 2023