

**AXIS FINANCE LIMITED
DIRECTORS' REPORT – 2018-2019**

**To
The Members of
Axis Finance Limited ("Company")**

Your Directors are pleased to present the 24th Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS OF THE COMPANY:

The highlights of the Financial Statements of the Company for the Financial Year ("FY") 2018-19 and FY 2017-18, are as under:

Particulars	(Amount in Rs.)	
	Current Financial Year 31.03.19	Previous Financial Year 31.03.18
Income from Operations	8,94,33,77,919	6,86,19,10,377
Other Income	88,64,501	-
Total Revenue	8,95,22,42,420	6,86,19,10,377
Total Expenditure	5,69,81,76,408	4,08,46,79,126
Profit/(Loss) before Taxation	3,25,40,66,012	2,77,72,31,252
Tax expenses / (Credit)	114,85,92,969	96,66,77,828
Profit/(Loss) after Taxation	2,10,54,73,043	1,81,05,53,424
Other comprehensive income	(1,21,649)	(3,13,809)
Total Comprehensive Income for the year	2,10,53,51,394	1,81,02,39,615
Balance brought forward from previous year	116,21,50,548	123,03,87,417
Profit available for appropriation	326,75,01,942	304,06,27,032
<i>Less: Appropriations</i>		
- Interim Equity Dividend	-	(1,21,27,82,500)
- Tax on Equity Dividends	-	(24,68,93,984)
- Previous Year Tax on Equity Dividends	-	-
- General Reserve	-	-
- Transfer to Statutory Reserve	(42,11,00,000)	(41,88,00,000)
Surplus carried to the Balance Sheet	284,64,01,942	116,21,50,548

Notes- The figures mentioned in the table above are extracted from the financials of the Company which are prepared in accordance with the provisions of IND AS.



2. FINANCIAL PERFORMANCE OF THE COMPANY:

During the financial year under review, the Company continued its focus on its lending activities which offered higher yields on senior secured basis.

For FY March 31, 2019 the Company's:

- The total revenue was Rs. 895.22 crores as against Rs. 686.19 crores for FY March 31, 2018.
- The total expenditure was Rs. 569.82 crores as against Rs. 408.47 crores for FY March 31, 2018.
- The net profit is Rs. 210.55 crores as against Rs. 181.06 crores for FY March 31, 2018

As on March 31, 2019, the Company's:

- Capital to Risk Asset Ratio (CRAR) was 21.09% as against 22.91% on March 31, 2018.
- The Net Owned Funds stood at Rs. 1,156.04 crores resulting in 19.61% increase over the previous year.

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report which is annexed to this Report.

3. DIVIDEND:

For the financial year 2018-19, the Board of Directors have recommended a Dividend at the rate of Rs.2.50/-- (previous year Rs. 2.21/- and Re. 0.60/-) per equity share of Rs. 10/- each, absorbing a sum of Rs. 144,89,23,944/- (previous year Rs. 92,43,32,500/- and Rs.28,84,50,000/-). The Dividend, if declared by the Members at the Annual General Meeting, shall be the final dividend for the financial year 2018-19.

The Board of Directors of the Company have adopted a Dividend Distribution Policy and the same is made available on the website of the Company viz. <https://www.axisfinance.co.in>.



4. AMOUNT PROPOSED TO BE CARRIED TO RESERVES:

The break-up of the amounts/profits proposed to be carried to reserves for FY 2018-19, is set out herein below:

(Amount in Rs Crs.)

Particulars	FY 2018-19	FY 2017-18
Transfer to Capital Redemption Reserve	-	-
Transfer to Reserve Fund u/s 45-IC of the RBI Act, 1934 (being 20% of the net profits)	42,11,00,000	41,88,00,000
Balance in Profit and Loss Account	2,84,64,01,942	1,16,21,50,548

5. STATE OF COMPANY'S AFFAIRS:

The operating and financial performance of the Company has been covered in the Management Discussion and Analysis Report which forms part of this Annual Report. During the year under review, there has been no change in the nature of business of the Company.

a. Share Capital

There has been no change in the issued and paid up capital during the year and after March 31, 2019 till the date of this report. Further, no reserves were transferred to the P&L Account during the year.

b. Directors & Key Managerial Personnel

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India and other applicable laws inter alia with respect to appointment of women director, non-executive director(s) and non-executive independent director(s). During the year under review, Mr. Rajesh Kumar Dahiya was co-opted on the Board w.e.f July 10, 2018 and has resigned w.e.f. 18th March, 2019 and Mr. Amitabh Chaudhry was appointed as a Chairman of the Company w.e.f. January 17, 2019. The composition of the Board and the details in this regard have been provided in the Corporate Governance Report furnished later in this Report.



- Policy On Appointment of Directors and Senior Management Personnel

In terms of Section 178 of the Companies Act, 2013 read with rules framed thereunder and the RBI Master Directions, as amended, the Board has adopted, 'Policy on "Fit & Proper" Person Criteria' for appointment of Directors and Senior Management Personnel of the Company. The details of the said policy have been provided in the Corporate Governance Report annexed to this Report.

- Director(s) Disclosure

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by the Reserve Bank of India and other applicable laws, none of the Directors of the Company are disqualified from being appointed as Directors of the Company.

The Company has received necessary declarations from the Independent Directors, affirming compliance with the criteria of independence laid under the provisions of Section 149(6) of the Act.

- Director(s) retiring by rotation

In accordance with the provisions of the Companies Act, 2013 read along with the applicable Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Jairam Sridharan, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

- Appointment of Mr. Amitabh Chaudhry as Director (Non-Executive Chairman) of the Company

Mr. Amitabh Chaudhry (DIN: 00531120), was appointed as an Additional Director (Chairman) of the Company w.e.f. January 17, 2019. In terms of Section 161 of the Companies Act, 2013 (as amended), Mr. Chaudhry holds office upto the date of the forthcoming Annual General Meeting. The Company has received a Notice from a member proposing candidature of Mr. Chaudhry as Director of the Company. Accordingly, the approval of members for appointment of Mr. Amitabh Chaudhry as a Director (Non-Executive Chairman) liable to retire by rotation is being sought at the forthcoming Annual General Meeting.



- **Appointment of Mr. Pralay Mondal as Director (Non-Executive) of the Company**

Mr. Pralay Mondal (DIN: 00117994), was appointed as an Additional Director (Chairman) of the Company w.e.f. April 18, 2019. In terms of Section 161 of the Companies Act, 2013 (as amended), Mr. Mondal holds office upto the date of the forthcoming Annual General Meeting. The Company has received a Notice from a member proposing candidature of Mr. Mondal as Director of the Company. Accordingly, the approval of members for appointment of Mr. Pralay Mondal as a Director (Non-Executive) liable to retire by rotation is being sought at the forthcoming Annual General Meeting.

- **Key Managerial Personnel**

Mr. Bipin Saraf – Managing Director & Chief Executive Officer, Mr. Amith Iyer– Chief Financial Officer and Mr. Rajneesh Kumar – Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company in terms of Section 203 of the Act.

Re-appointment of Mr. Bipin Kumar Saraf as Managing Director of the Company:

Subject to the approval of Members in the ensuing Annual General Meeting, Mr. Bipin Kumar Saraf is re-appointed as Managing Director and CEO of the Company for the period of three years w.e.f. 16th April, 2019 by the Board of Directors at its meeting held on 23rd October, 2018

Accordingly, the approval of members for re-appointment of Mr. Bipin Kumar Saraf as Managing Director and CEO of the Company w.e.f. 16th April, 2019 is being sought at the forthcoming Annual General Meeting.

During the year under review, the composition of Key Managerial Personnel remains unchanged.

c. Board Evaluation

Pursuant to provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the



evaluation of the working of its Audit, Nomination & Remuneration and other Committees of the Board of Directors.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

d. Change in shareholding pattern material changes in the financial position of the company and commitments from the previous financial year till the current year

The Company continues to remain the wholly owned subsidiary of Axis Bank Limited, there is therefore no change in the shareholding pattern of the Company during the year under review.

e. Human Resource

During the year, the Company has successfully inducted significant talent at senior and mid-level into the Company and was successful in retaining and developing the existing human resources. The Company has developed a robust learning & development calendar in line with the training needs identified for its employees. As on March 31, 2019 the Company had 276 employees on its payroll. Your Directors place on record the appreciation of effort and dedication of the employees in achieving good results during the year under review.



f. Subsidiaries / Joint Venture / Associate Companies

The Company does not have any Subsidiary, Joint Venture or Associate Companies in accordance with the provisions of the Act, and hence, disclosure regarding the same is not applicable.

g. Transfer of Unclaimed Dividend etc to Investor Education and Protection Fund (IEPF)

Since there was no amount lying w.r.t unpaid/unclaimed Dividend, the provisions of Section 125 of the Companies Act, 2013 does not apply. Further, there was no amount due to be transferred to IEPF in respect to secured redeemable non-convertible debentures and interest thereon by the Company.

h. Implementation of Compliance Monitoring & Reporting Tool

In terms of provisions of Section 134(5)(f) of the Act, the Company has put in place a Compliance Management System (icago CMS) for effectively tracking and managing critical action items related to regulatory and internal compliance requirements.

i. Updates on Amalgamation

The Company is in the process of amalgamating Axis Private Equity Limited (a group company) with itself and in this regard, the Company has filed application petition before the National Company Law Tribunal, Mumbai with respect to the Scheme of Amalgamation between Axis Private Equity Limited (being the Transferor Company) with the Company (being the Transferee Company). The approval of National Company Law Tribunal, Mumbai on the scheme is being awaited.

6. FINANCE & CREDIT RATINGS:**a. Finance:**

During the year under review, the Company raised funds from various public/private sector banks, mutual funds and financial institutions. The Company continued to borrow funds inter alia by issue of Commercial Papers and Non-Convertible Debentures, term loan(s) from banks/financial institutions etc. Details in this regard are stated and more particularly mentioned in the Audited Financial Statements.



b. Credit Rating:

During the year under review, the Company retained the following ratings from CRISIL & India Ratings for the ongoing debt programme of the Company:

- Long Term Debt Programme: AAA/Stable by CRISIL & AAA by India Ratings
- Short Term Debt Programme: A1+ by CRISIL & India Rating

The credit ratings reflect the Company's financial discipline and prudence.

7. PARTICULARS OF DEPOSITS:

The Company being a "Non-Deposit Accepting Non-Banking Financial Company", provisions of Section 73 and Section 74 of the Act read with Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

During the year under review, the Company had neither accepted nor held any deposits from the public and shall not accept any deposits from the public without obtaining prior approval from the Reserve Bank of India.

8. EXTRACTS OF THE ANNUAL RETURN:

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the extract of the Annual Return in Form MGT-9 is annexed herewith. **(Annexure I).**

Copy of the Annual Return is also placed on the website of the Company at <https://www.axisfinance.co.in/>

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES AND POLICY ON RELATED PARTY TRANSACTIONS:

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. The disclosure in this regard forming part of this report is provided in the financial statement. All the Related Party Transactions as required under IND AS 24 are reported in the Notes to the financial statement.

Relevant Form (AOC-2) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given as **Annexure II** to this Report.



During the year, the Company has not entered into any contract/arrangement/transaction with related parties which may have a potential conflict with the interest of the Company at large.

Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their review on a periodic basis. None of the Directors has any pecuniary relationship or transactions with the Company. The policy on Related Party Transactions is placed on the website of the Company viz. <https://www.axisfinance.co.in/>.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

During the year under review, the Company had not made any investments in terms of provisions of Section 186(1) of the Act. The provisions of Section 186 of the Act pertaining to granting of loans to any persons or body corporate and giving of guarantees or providing security in connection with the loan to any other body corporate or persons are not applicable to the Company, since the Company is a Non-Banking Financial Company, registered with Reserve Bank of India.

11. INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



During the year under review, such controls were tested by the Internal Audit Department of the Company and no material weaknesses in the design or operations were observed. The Statutory Auditors have reviewed the said test results and found them to be effective.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars regarding foreign exchange earnings and outgo appear as separate item in the notes to the Financial Statements. Since the Company does not carry any manufacturing activities, particulars to be disclosed with respect to conservation of energy and technology absorption under section 134(3) (m) of the Companies Act, 2013 read with Companies Accounts Rules, 2014 are not applicable. The Company is however, constantly pursuing its goal of technological up-gradation in a cost effective manner for delivering quality customer service.

13. RISK MANAGEMENT:

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, access and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.



14. THE REMUNERATION POLICY, DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES:

In terms of Section 178 of the Companies Act, 2013, your Board have adopted a 'Nomination and Remuneration Policy' inter-alia setting out the criteria for deciding remuneration of Executive Directors, Non-Executive Directors, Senior Management Personnel and other Employees of the Company. The said Policy is available on the website of the Company viz. <https://www.axisfinance.co.in/>.

In terms of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees of the Company have been provided at **Annexure III** to this Report.

In terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the Members at the Registered Office of the Company during business hours on working days. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Company. The Board hereby confirm that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Act and the CSR Policy, the Company has contributed Rs. 4,95,81,566/- (Four Crores Ninety Five Lakhs Eighty One Thousand Five Hundred and Sixty Six Only) (being 2 percent of the average net profit of the Company in the immediately three preceding financial years calculated as per Section 198 of the Act) towards CSR expenditure in various projects stipulated under Schedule VII of the Act. The details of the same is enclosed as **Annexure – IV** to this Report as mandated under the said Rules. The Policy adopted by the Company on Corporate Social Responsibility (CSR) is placed on the website of the Company viz. <https://www.axisfinance.co.in/>.



16. WHISTLE BLOWER / VIGIL MECHANISM:

The Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been placed on the website of the Company viz. <https://www.axisfinance.co.in/>. This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and also provide direct access to the Chairperson of the Audit Committee in exceptional circumstances. During the year under review, the Company has not received any whistle blower.

17. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis is annexed herewith as **Annexure V** to this Report.

18. CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through its transparent practices and processes. The Company is accountable to its customers, government, regulatory authorities and other stakeholders of the Company. The Company's activities are carried out in accordance with good corporate governance practices and is constantly striving to improve them by adopting the best practices. The Company believes that good Corporate Governance practices enables the Board and the Management to direct and control the affairs of the Company in an efficient manner thereby helping the Company to achieve its goal and benefit the interest of all its stakeholders.

a) Board of Directors:

The Board of Directors, along with its Committees provide leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The size of the Board of the Company commensurate with the its size and business operations. In addition to the governance practices, the Board lays strong emphasis on transparency, accountability and integrity. At present, the Board strength is 8 (eight) Directors comprising of 1 (one) Executive Director, 3 (three) Non-Executive Directors, representing shareholders and 3 (three) Independent Non-Executive Directors.



- Composition of the Board of the Company:

Name of the Director(s)	Category
Mr. Amitabh Chaudhry	Additional Director- Chairman (Non-Executive)
Mr. Bipin Kumar Saraf	Managing Director & Chief Executive Officer
Mr. Jairam Sridharan	Director (Non- Executive)
Mr. V.R. Kaundinya	Independent Director (Non- Executive)
Mrs. Madhu Dubhashi	Independent Director (Non- Executive)
Mr. K N Prithviraj	Independent Director (Non- Executive)
Mr. Cyril Anand Madireddi	Director (Non- Executive)
Mr. Pralay Mondal	Additional Director (Non- Executive)

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

Resignations from the Board

- Mr. V. Srinivasan, Non-Executive Chairman resigned w.e.f December 20, 2019
- Mr. Rajesh Kumar Dahiya resigned as Director w.e.f. March 18, 2019

Appointments as additional Director in the Board:

- Mr. Amitabh Chaudhry (DIN 00531120), MD& CEO of Axis Bank Ltd was appointed as Additional Director (Non- Executive) w.e.f January 17, 2019 and has replaced Ms. V Srinivasan as Chairman of the Board. He holds the office up to the date of the ensuing Annual General Meeting of the Company.
- Mr. Pranay Mondal (DIN 00117994), Group Executive, Retail Banking at Axis Bank Ltd has been appointed as Additional Director (Non- Executive) of the Company w.e.f April 18, 2019. He holds the office up to the date of the ensuing Annual General Meeting of the Company.



- Meetings of the Board of Directors:

The Board meets at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board including circulation of agenda and notes thereof as well as presentations on financials and other critical areas of operations of the company. The Board is also kept informed of major events/items and approvals are being taken wherever necessary. The Managing Director & CEO, at the Board Meetings keeps the Board apprised of the overall performance of the Company at such meetings. The Board also takes decisions by circular resolutions which are noted by the Board at the subsequent meeting.

During the financial year 2018-19, the Company held 7 (Seven) meetings of the Board of Directors as per Section 173 of Companies Act, 2013. These were held on April 16, 2018, July 10, 2018, September 20, 2018, October 23, 2018, December 08, 2018, January 17, 2019 & March 26, 2019. The provisions of Companies Act, 2013 were adhered to while considering the time gap between any two meetings.

Attendance of the directors during FY2019 is as under:

Name of the Director	Category of Director	Attendance at the last AGM held on July 10, 2018	Dates of Board meetings and attendance of the directors						
			April 16, 2018	July 10, 2018	September 20, 2018	Oct 23, 2018	Dec 08, 2018	Jan 17, 2019	Mar 26, 2019
*Mr. Srinivasan Varadarajan	Chairman (Non-Executive)	YES	YES	YES	YES	YES	YES	NA	NA
**Mr. Amitabh Chaudhry	Chairman (Non-Executive)	NA	NA	NA	NA	NA	NA	YES	YES



Name of the Director	Category of Director	Attendance at the last AGM held on July 10, 2018	Dates of Board meetings and attendance of the directors						
			April 16, 2018	July 10, 2018	September 20, 2018	Oct 23, 2018	Dec 08, 2018	Jan 17, 2019	Mar 26, 2019
Mr. Bipin Kumar Saraf	MD & CEO (Executive)	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Jairam Sridharan	Director (Non-Executive)	YES	YES	YES	YES	YES	YES	YES	YES
Mr. V.R Kaundinya	Independent Director (Non-Executive)	YES	YES	YES	YES	YES	YES	YES	YES
Mrs. Madhu Dubhashi	Independent Director (Non-Executive)	YES	YES	YES	YES	YES	YES	NO	YES
Mr. K N Prithviraj	Independent Director (Non-Executive)	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Cyril Anand Madireddi	Director (Non-Executive)	YES	YES	YES	YES	YES	YES	YES	YES
***Mr. Rajesh Kumar Dahiya	Additional Director (Non-Executive)	YES (in the capacity of Member)	NA	YES	YES	YES	YES	YES	NO



Notes-

* Resigned w.e.f. 20th December, 2018

** Appointed w.e.f. 17th January, 2019

*** Appointed w.e.f. 10th July, 2018 and resigned w.e.f. 18th March, 2019

- Meeting of Independent Directors:

A separate meeting of Independent Directors of the Company was held on 26th March, 2019 without the presence of the Whole time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel to evaluate the performance of the non-independent Directors, Board and that of the Chairman.

b) Committees

In accordance with the applicable provisions of the Act, the circular(s), notification(s) and directions issued by the Reserve Bank of India and the Company's internal corporate governance requirements, the Board has constituted various Committees with specific terms of reference to focus on specific issues and ensure expedient resolution on diverse matters.

These include the Audit Committee, Nomination & Remuneration Committee, Committee of Directors, Corporate Social Responsibility Committee, Asset Liability Committee, Risk Management Committee, Grievance Redressal Committee and IT Strategy Committee. The matters pertaining to financial results and auditors report are taken care of by the Audit Committee and those pertaining to nomination / remuneration of Key Executives and Directors are within the realms of, Nomination & Remuneration Committee. The term of reference of Committee of Directors is as per the Credit Policy duly approved by the Board. The Corporate Social Responsibility (CSR) Committee focuses on compliance of CSR policy and framework by the Company and monitors the expenditure to be incurred by the Company. The Risk Management Committee manages the integrated risk and further oversee the Risk Management function of the Company. The IT Strategy Committee looks after the IT related issues and decision making w.r.t. IT.



The Company Secretary acts as the Secretary for all the aforementioned Committees. The minutes of the meetings of all Committees along with summary of key decision/discussion taken at each Committee, is placed before the Board for discussion / noting /approval.

The table below provides a snap shot of the Board and committee composition:

Name	Board	Audit committee	CSR committee	Nomination & Remuneration committee	Risk Management committee	Committee of Directors	IT Strategy Committee	Grievance Redressal Committee
Mr. Amitabh Chaudhry	C	-	-	-	-	-	-	-
Mr. Bipin Kumar Saraf	M	-	M	M	M	M	M	C
Mr. Cyril Anand Madireddi	M	-	-	-	M	M	M	M
Mr. V.R. Kaundinya	M	M	-	-	-	-	C	-
Mrs. Madhu Dubhashi	M	C	M	M	M	-	-	-
Mr. K.N. Prithviraj	M	M	-	-	M	M	-	-
Mr. Jairam Sridharan	M	M	-	-	-	-	-	-
*Mr. Rajesh Kumar Dahiya	M	-	M	M	-	-	-	-

** Resigned w.e.f. 18th March, 2019*

C – Chairman/Chairperson, M – Member



i) **Audit Committee** - The Audit Committee was constituted on January 11, 2013 and was re-constituted on September 20, 2018. As on March 31, 2019, the Audit Committee comprised of 4 (four) members, of which three (3) were independent directors. The Chairperson of the committee is an independent director and was present at the 23rd AGM of the Company held on July 10, 2018. During the financial year 2018-19, the committee held 7 (six) meetings. These were held on April 16, 2018, July 10, 2018, September 20, 2018, October 16, 2018, October 23, 2018, January 17, 2019 & March 26, 2019.

Name of the Director	Dates of meetings and attendance by the members							% of attendance
	April 16, 2018	July 10, 2018	September 20, 2018	October 16, 2018	October 23, 2018	January 17, 2019	March 26, 2019	
Mrs. Madhu Dubhashi	YES	YES	YES	YES	YES	YES	YES	100%
Mr. V.R. Kaundinya	YES	YES	YES	YES	YES	YES	YES	100%
Mr. K.N. Prithviraj	YES	YES	YES	YES	YES	YES	YES	100%
*Mr. Cyril Anand Madireddi	YES	YES	YES	NA	NA	NA	NA	100%
**Mr. Jairam Sridharan	NA	NA	NA	YES	YES	YES	YES	100%

* Ceased to be a Member of Audit Committee w.e.f. 20th September, 2019 due to Reconstitution of the Committee.

** Appointed as a Member of Audit Committee w.e.f. 20th September, 2018 due to Reconstitution of the Audit Committee.



ii) Nomination & Remuneration Committee - The Nomination & Remuneration Committee was constituted on January 11, 2013 and was reconstituted on September 20, 2018. As on March 31, 2019, the Nomination Committee comprised of 3 (three) members, of which two (2) were independent directors. The Chairman of the committee is an independent director. During the financial year 2018-19, the committee held 5 (Five) meetings. These were held on April 16, 2018, July 09, 2018, October 23, 2018, January 16, 2019 & March 25, 2019.

Name of the Director	Dates of meetings and attendance by the members					% of attendance
	April 16, 2018	July 09, 2019	October 23, 2018	January 16, 2019	March 26, 2019	
Mr. V.R Kaundinya	YES	YES	YES	YES	YES	100%
Mrs. Madhu Dubhashi	YES	YES	YES	YES	YES	100%
Mr. Bipin Saraf	YES	YES	YES	YES	YES	100%
*Mr. Cyril Anand Madireddi	YES	YES	NA	NA	NA	100%
Mr. Rajesh Dahiya	NA	NA	YES	YES	NA*	100

* Ceased to be a Member of Nomination & Remuneration Committee w.e.f. 20th September, 2019 due to Reconstitution of the Committee.

** Appointed as a Member of Nomination & Remuneration Committee w.e.f. 20th September, 2018 due to Reconstitution of the Committee.

*** Resigned as Director w.e.f. 18th March, 2019.

iii) Risk Management Committee - The Risk Management Committee of the Company was constituted on January 11, 2013. As on March 31, 2019, the Risk Management committee comprised of 4 (four) members. During the financial year 2018-19, the committee held 6



(six) meetings. These were held on April 16, 2018, July 10, 2018, September 20, 2018, October 23, 2018, January 17, 2019 & March 25, 2019.

Name of the Director	Dates of meetings and attendance by the members						% of attendance
	April 16, 2018	July 10, 2018	September 20, 2018	October 23, 2018	January 17, 2019	March 25, 2019	
Mr. Cyril Anand Madireddi	YES	YES	YES	YES	YES	YES	100%
Mr. K.N. Prithviraj	YES	YES	YES	YES	YES	YES	100%
Mrs. Madhu Dubhashi	YES	YES	YES	YES	YES	YES	100%
Mr. Bipin Saraf	YES	YES	YES	YES	YES	YES	100%

iv) Committee of Directors- As on March 31, 2019, the COD comprised of 3 (three) members. During the financial year 2018-19, the committee held 14 (fourteen) meetings. These were held on April 16, 2018, June 18, 2018, July 10, 2018, August 06, 2018, September 03, 2018, September 20, 2018, October 16, 2018, October 23, 2018, November 23, 2018, December 08, 2018, January 16, 2019, February 18, 2019, March 11, 2019, and March 26, 2019.

Name of the Director	Dates of meetings and attendance by the members						% of attendance
	April 16, 2018	June 18, 2018	July 10, 2018	Aug 06, 2018	Sept 03, 2018	Sept 20, 2018	
Mr. V Srinivasan	YES	YES	YES	YES	YES	YES	100%
Mr. K.N. Prithviraj	YES	YES	YES	YES	YES	YES	100%
Mr. Cyril Anand	YES	YES	YES	YES	YES	YES	100%
Mr. Bipin Saraf	YES	YES	YES	YES	YES	YES	100%



Name of the Director	Oct 16, 2018	Oct 23, 2018	Nov 23, 2018	Dec 08, 2018	Jan 16, 2019	Feb 18, 2019	Mar 11, 2019	Mar 25, 2019	% of attendance
Mr. V Srinivasan	YES	YES	YES	YES	*NA	*NA	*NA	*NA	100%
Mr. K.N. Prithviraj	YES	YES	YES	YES	YES	YES	YES	YES	100%
Mr. Cyril Anand	YES	YES	YES	YES	YES	YES	YES	YES	100%
Mr. Bipin Saraf	YES	YES	YES	YES	YES	YES	YES	YES	100%

Resigned w.e.f. 20th December, 2018.

v) CSR Committee - The CSR Committee was constituted on March 10, 2015 and reconstituted on September 20, 2018 and March 26, 2019. As on March 31, 2019, the committee comprised of 3 (three) members Mr. Cyril Anand, Mrs. Madhu Dubhashi and Mr. Bipin Kumar Saraf. During the financial year 2018-19, the committee met once on January 16, 2019, which was attended by all the members.

vi) IT Strategy Committee: IT Strategy Committee was constituted on July 13, 2017 by the Board of Directors. As on March 31, 2019, the committee comprised of 5 (five) members Mr. V. R. Kaundinya, Mr. Bipin Kumar Saraf, Mr. Cyril Anand, Mr. Kishore Babu Manda Chief Operating Officer and Mr. Ajay Shah, Chief Technology Officer. During the financial year 2018-19, the committee held four meetings on April 16, 2018, July 10, 2018, September 20, 2018, January 16, 2019 and March 25, 2019 in which all the members were present.

vii) Asset Liability Committee: As on March 31, 2019, the Asset Liability committee comprised of 3 members Mr. Bipin Kumar Saraf, Managing Director and Chief Executive Officer, Mr.



Kishore Babu Manda, Chief Operating Officer and Mr. Amith Iyer, Chief Financial Officer of the Company. During the financial year 2018-19, the committee met 12 times on a monthly basis.

viii) Internal Complaints Committee- In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ("Sexual Harassment Act") the Board had formulated and adopted a policy on prevention of sexual harassment at work place and takes all necessary measures to ensure a harassment-free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. The Company believes that all employees, including other individuals who are dealing with the Company have the right to be treated with dignity.

The terms of reference of the Internal Complaints Committee inter-alia includes:

- (a) conducting an inquiry into complaints made by any aggrieved at the workplace;
- (b) arriving at a conclusion as to whether the allegation against whom the complaint has been filed was proved or not; and
- (c) take necessary actions to resolve the complaint(s).

The Board confirm that during the year under review, the Company did not receive any sexual harassment complaints.

ix) Grievance Redressal Committee:

The Grievance Redressal Committee specifically look into the mechanism of redressal of grievances of shareholders, debentures holders and other security holders.

As on March 31, 2019, the Grievance Redressal committee comprised of 2 members Mr. Cyril Anand, Non-Executive Director and Mr. Bipin Kumar Saraf, Managing Director and Chief Executive Officer. During the financial year 2018-19, the committee met once on 26th March, 2019.

19. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY:

The new accounting standard IND AS has become applicable to your company from April 2018 and therefore The Financial Statements of the Company has been prepared in accordance with the provisions of IND AS. Further, since the parent company of Axis Finance





Limited, namely, Axis Bank Limited still continues to report under the IGAAP Accounting standard IGAAP, Axis Finance Limited too will be required to prepare financials as per IGAAP for the purpose of consolidation.

20. SECRETARIAL STANDARDS:

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

21. AUDITORS

I) Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai, (FRN 301003E) were appointed as the Auditors of the Company for a term of five years to hold office from the conclusion of this i.e 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting to be held in the calendar year 2023. During the year under review, the statutory auditors have not reported any incident of fraud to the Audit Committee. Further the statutory auditors have not made any reservation or qualification in their Audit Report.

II) Internal Auditors

In terms of provisions of Section 138 of the Act and other applicable laws, M/s Protiviti India Member Pvt Ltd, Mumbai were the Internal Auditors of the Company for the FY 2018-19. The Internal Audit reports are reviewed by the Audit Committee on periodic basis. The Internal Auditors have not reported any qualification, reservation or adverse remarks in their report.

III) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ajay V. Mehta, Practicing Company Secretary, Mumbai to conduct the secretarial audit for the financial year ended March 31, 2019. The Report of the Secretarial Auditor is provided as **Annexure VI** to this Report.



With respect to the observation made by the Secretarial Auditor pertaining to delay in reporting / filings, the Company would like to state as under -

- a) The Company is in overall compliance with the applicable laws and specifically with the applicable SEBI regulations;
- b) The delay in reporting was technical in nature and the same has not affected the rights of any stakeholders of the Company;
- c) The Company has taken a note of the observation and going forward shall ensure to comply with the reporting requirements within the stipulated time period.

22. COMPLIANCES OF RBI GUIDELINES

The company continues to comply with the applicable regulations and guidelines of the Reserve Bank of India as applicable to a Non- Banking Non Deposit Taking Systemically Important Loan Company ('NBFC-ND-SI'). The company has submitted returns with RBI on timely basis.

23. CHANGE IN NATURE OF BUSINESS, IF ANY

During FY under review, there was no change in the nature of business of the Company

24. MATERIAL CHANGES, IF ANY, POST FINANCIAL YEAR ENDED MARCH 31, 2019

No material changes have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

25. MATERIAL ADVERSE ORDERS, IF ANY

There are no significant and material orders passed by the Reserve Bank of India or the Ministry of Corporate Affairs or Courts or Tribunals or other Regulatory/ Statutory authorities which will have an impact on the going concern status of the Company and Company's operations in future.

26. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:



- (a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. ACKNOWLEDGEMENT

The Board wishes to place on record their appreciation for the dedication and hard work put in by the employees of the Company at all levels and the support extended by various stakeholders of the Company. Effective business relationships with regulatory authorities and clients remained good during the year under review.

The Board is also thankful to the Reserve Bank of India and other regulatory authorities for their cooperation, guidance and support extended by them to the Company in its endeavours.

FOR AND ON BEHALF OF BOARD OF DIRECTORS



AMITABH CHAUDHRY
CHAIRMAN
DIN: 00531120
Place: Mumbai
Date: 18/04/2019



AXIS FINANCE LIMITED
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

S. No	Particulars	Details
i)	Corporate Identification Number	U65921MH1995PLC212675
ii)	Registration Date	April 27, 1995
iii)	Name of the Company	Axis Finance Limited
iv)	Category / Sub-Category of the Company	NBFC- Public company limited by shares and having share capital
v)	Address of the Registered office and contact details	Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025 Maharashtra, IN Tel- 022- 4325 5717 Fax- 022-4325 5732 Email – rajneesh.kumar@axisfinance.in Website – www.axisfinance.co.in
vi)	Whether listed company	Equity Shares: - No Debentures: - Yes, the Non-Convertible Debentures of the Company, issued on private placement basis are listed on BSE
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KARVY COMPUTERSHARE PVT. LTD. Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad- 500 034 Telangana, IN Tel- 040 - 23312454 Fax- 040 - 23311968 Email – varghese@karvy.com



II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Credit Granting (Non-Deposit Taking Non-Banking Financial Activity)	64920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Axis Bank Limited Add:	L65110GJ1993PLC020769	Holding	100*	Section 2(46)

*Including 60 shares (0.000019) held by individuals as Nominee of Axis Bank Limited (Beneficial ownership is with Axis Bank Limited.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI	48,07,50,000*	NIL	48,07,50,000*	100*	48,07,50,000*	NIL	48,07,50,000*	100*	NIL
f) Any									
Other....									
Sub-total (A)									
(1):-									



(2) Foreign a) NRIs - Individuals b) Other – Individuals c) Bodies Corp. d) Banks / FI e) Any Other.... Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)	48,07,50 ,000*	NIL	48,07,50 ,000*	100*	48,07,50, 000*	NIL	48,07,50, 000*	100*	NIL
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks / FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):- 2. Non- Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital uptoRs. 1 lakh ii) Individual shareholders holding nominal share	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



capital in excess of Rs 1 lakh c) Others (specify) Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL				NIL				
Grand Total (A+B+C)	48,07,50,000*				48,07,50,000*				NIL

*Including 60 shares held by individual as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Axis Bank Limited	48,07,50,000*	100*	NIL	48,07,50,000*	100*	NIL	NIL
	Total	480,75,00,00*	100*	NIL	480,75,00,00*	100*	NIL	NIL

*Including 60 shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)



iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	* 48,07,50,000	100	* 48,07,50,000	100
	Date wise Increase / Decrease in Promoters Share holding during the year	NIL	NIL	NIL	NIL
	At the End of the year	* 48,07,50,000	100	* 48,07,50,000	100

*Including 60 shares held by individuals as Nominee of Axis Bank Limited (Beneficial ownership of which is with Axis Bank Limited.)

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

Note- 100% shares are held by Axis Bank Limited, the holding Company including 60 shares held by individuals as Nominee of Axis Bank Limited (beneficial ownership of which is with Axis Bank.)

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the Beginning of the year:					
1	*Srinivasan Varadarajan	Director	10	Negligible	10	Negligible
2	*Bipin Kumar Saraf	MD & CEO	10	Negligible	10	Negligible



3	*Jairam Sridharan	Additional Director	10	Negligible	10	Negligible
	At the End of the year:					
1	*Jairam Sridharan**	Additional Director	10	Negligible	10	Negligible

Note - / Decrease in Promoters Share holding during the yearspecifying the reasons for increase / decrease (e.g./transfer / bonus/ sweat equity etc):

***held as a nominee of Axis Bank Limited**

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2096,89,89,985	3331,47,28,380	-	5428,37,18,365
ii) Interest due but not paid				
iii) Interest accrued but not due	108,71,62,530	30,51,20,499		139,22,83,029
Total (i+ii+iii)	2205,61,52,515	3361,98,48,879	-	5567,60,01,394
Change in Indebtedness during the financial year				
□ Addition	16,95,51,43,482			16,95,51,43,482
□ Reduction		(415,65,15,051)		(415,65,15,052)
Net Change	1695,51,43,482	(415,65,15,052)	-	1279,86,28,430
Indebtedness at the end of the financial year				
i) Principal Amount	3792,41,33,467	2915,82,13,329	-	6708,23,46,796
ii) Interest due but not paid				
iii) Interest accrued but not due	137,06,69,313	30,53,23,172		167,59,92,485
Total (i+ii+iii)	3929,48,02,780	2946,35,36,501	-	6875,83,39,281



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **MR. BIPIN KUMAR SARAF**

S.No.	Particulars of Remuneration	Name of MD	Total Amount (Rs. In Lacs)
		MR. BIPIN KUMAR SARAF	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	192.31	192.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	70.75	70.75
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission as % of profit	NIL	NIL
5	Others, please specify Variable Incentives	NIL	NIL
	Total (A)	263.06	263.06
	Ceiling as per the Act *5% of the net profit calculated as per Section 198		1627.03

B. Remuneration to other directors:

S. no.	Particulars of Remuneration	Name of Directors			Total Amount (Rs. In Lacs)
		Mr. V.R Kaundinya	Mrs. Madhu Dubhashi	Mr. K N Prithviraj	
	1. Independent Directors				
	Total (1)	12.50	13.00	17.50	43.00
	2. Other Non-Executive Directors <input type="checkbox"/> Fee for attending board /	NONE			NIL



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO (Mr. Amith Iyer)	Company Secretary (Mr. Rajneesh Kumar)	Total (Rs. In Lacs)
1	Gross salary	102.01	51.75	153.76
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.04	NIL	1.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission as % of profit	NIL	NIL	NIL
5	Others	NIL	NIL	NIL
	Total	103.06	51.75	154.81

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): NONE
FOR AND ON BEHALF OF BOARD OF DIRECTORS


AMITABH CHAUDHRY
 CHAIRMAN
 DIN: 00531120
 Place: Mumbai
 Date: 18/04/2019



FORM AOC - 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub – section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	NIL
b)	Nature of contracts/arrangements/transactions	:	NIL
c)	Duration of the contracts / arrangements / transactions	:	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
f)	Date (s) of approval by the Board	:	NIL
g)	Amount paid as advances, if any	:	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	:	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	Axis Bank Limited
b)	Nature of contracts/arrangements/transactions	:	1) Rent Paid 2) Bank Charges 3) Current Account Balance 4) LOC Account Balance 5) OPE Reimbursement



			6) Demat A/c Chgs 7) NACH Charges 8) IPA Commission Charges Paid 9) Retainership Fees Reimbursement 10) Service Charges other (IT Service Fees) 11) NCD Issue Exps.(Arrangership Fees) 12) Interest Paid on Line of Credit 13) Processing Fees received 14) Non - Convertible Debentures
c)	Duration of the contracts / arrangements / transactions	:	Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	:	NIL

3. Details of material contracts or arrangement or transactions at arm's length basis

a) a)	Name (s) of the related party and nature of relationship	:	Axis Capital Limited
b)	Nature of contracts/arrangements/transactions	:	1) Sale of Desktop
c)	Duration of the contracts / arrangements / transactions	:	One Time Transaction
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	:	NIL



Details of material contracts or arrangement or transactions at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	Axis Securities Limited
b)	Nature of contracts/arrangements/transactions	:	1) Demat Charges 2) Brokerage Paid
c)	Duration of the contracts / arrangements / transactions	:	Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	:	NIL

4. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	Axis Trustee Services Ltd
b)	Nature of contracts/arrangements/transactions	:	1) Annual Fees
c)	Duration of the contracts / arrangements / transactions	:	Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	:	NIL

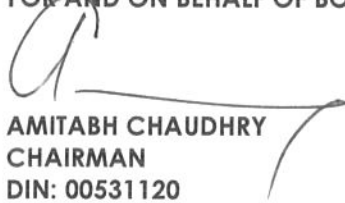
5. Details of material contracts or arrangement or transactions at arm's length basis

g)	Name (s) of the related party and nature of relationship	:	Axis Pvt Equity Ltd
h)	Nature of contracts/arrangements/transactions	:	1) Deputation Cost
i)	Duration of the contracts / arrangements / transactions	:	Continuous



j)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
k)	Date (s) of approval by the Board, if any	:	Transaction at arm's length and in ordinary course of business
l)	Amount paid as advances, if any	:	NIL

FOR AND ON BEHALF OF BOARD OF DIRECTORS



AMITABH CHAUDHRY
CHAIRMAN
DIN: 00531120
Place: Mumbai
Date: 18/04/2019



DISCLOSURES IN TERMS OF SUB-SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

Sr. No.	Disclosure Requirement	Disclosure Details		
		Name	Title	Ratio
1.	Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Bipin Kumar Saraf	MD & CEO	21.91:1
s2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors/KMP's	Title	% increase in remuneration
		Mr. Bipin Kumar Saraf	MD & CEO	15%
		Mr. Amith Iyer	Chief Financial Officer	9%
		Mr. Rajneesh Kumar	Company Secretary	7%
3.	Percentage increase in the median remuneration of employees in the financial year	-33 %. The median remuneration declined by 33% as the employee count increased from 84 as on 31 Mar 2018 to 277 as on 31 Mar 2019 and new employee addition are predominantly in the lower and middle management levels.		
4.	Number of permanent employees on the rolls of company	276 permanent employees were on the rolls of the Company as on March 31, 2019		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average remuneration increase for Non managerial personnel of the company during the financial year was 11% and the average remuneration increase for the said managerial personnel of the company was 10% . Remuneration increase is dependent on AFL's performance as a whole, individual performance level and also market benchmarks.		
6.	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Remuneration Policy of the Company.		

FOR AND ON BEHALF OF BOARD OF DIRECTORS

AMITABH CHAUDHRY
CHAIRMAN
DIN: 00531120
Place: Mumbai
Date: 18/04/2019


ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules 2014)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

The CSR Policy was approved by the Committee on March 10, 2015 and subsequently was put on the Company's website. Weblink to the Company's CSR Policy: <http://www.axisfinance.in>

2. The Composition of the CSR Committee. Shri Cyril Anand Madireddi (Chairman), Shri Bipin Kumar Saraf, Smt. Madhu Dubhashi
3. Average net profit of the Company for last three financial years: **Rs. 2,47,90,78,301/-**
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) – **Rs. 4,95,81,566/-**
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year (2018-19); **Rs. 4,95,81,566/-**
 - (b) Amount unspent , if any; NIL
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads : (1) Direct expenditure on projects or programs. (2) Overheads :	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency





1.	Social Welfare Programs of Axis Bank Foundation*	Sustainable Livelihood	Local Area	Rs. 4,95,81,566/-	1.Rs. 4,95,81,566/- 2. Over Heads: NIL	Rs. 4,95,81,566/-	Rs. 4,95,81,566/-
	TOTAL						Rs. 4,95,81,566/-

* Give details of implementing agency: Axis Bank Foundation has been setup as a Public Trust by Axis Bank as its CSR arm committed itself to undertake various socially relevant endeavors with a special vision & mission to eradicate poverty, providing sustainable livelihoods, education of the underprivileged, healthcare, sanitation, etc. (Social Welfare Programmes)

- In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – **NA**
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

	
Bipin Kumar Saraf Managing Director & CEO DIN – 06416744	Cyril Anand Madireddi (Chairman CSR Committee) DIN - 07489389



Management Discussion and Analysis
Axis Finance Limited

Axis Finance Limited – An Overview

Part of the Axis group, Axis Finance Limited (AFL) is a non-deposit taking Non-Banking Financial Company (NBFC) that offers wholesale and retail financial solutions in niche product segments. The NBFC business of erstwhile Enam Securities was acquired by Axis Bank and was renamed Axis Finance Limited in 2013-14. AFL's journey commenced since then; and over the years the business has seen significant growth, while at the same time maintaining profitability and asset quality.

Economic Review**Macroeconomic environment**

After encouraging growth in 2017 and early 2018, global economic activity slowed a bit in the second half of 2018, reflecting a combination of factors affecting major economies.

While the US economy was the bright spot among advanced nations, reporting strong growth of 2.9% in 2018, up 70 basis points compared to the growth in 2017 fuelled by multiple factors including the fiscal stimulus, strengthening US Dollar (USD), neutral unemployment and minimal inflation, the growth in Eurozone declined to 1.8% in 2018 vis-à-vis 2.4% in 2017 on the back of a sluggish domestic demand, weakening global auto demand, fiscal concerns in Italy, French reforms backlash and political reasons in Germany. China's economic growth was 6.6% in 2018 (6.9% in 2017) and reflected the impact of the trade war with the US and regulatory tightening to rein in its shadow banking. As a result, the global economy grew by 3.6% in 2018 and global growth is pegged at 3.3% in 2019 and 3.6% in 2020. (Source: World Economic Outlook, April 2019, IMF). Most global central banks have responded to this slowdown with both the US Federal Reserve and the European Central Bank (ECB) having ruled out rate hikes in 2019 and signalling slower withdrawal of quantitative easing.

India is currently the world's sixth largest economy and continued to be among the fastest growing economies of the world in 2018-19. A pick-up in GDP growth took hold in the first quarter of 2018-19, having shrugged off the transient effects of demonetisation and



implementation of the goods and services tax (GST), and supported by incipient firming up of the investment cycle and exports. India's macro fundamentals have remained broadly stable, though there are signs of weaker growth momentum in the near term.

India continues to be a consumption-driven economy in which domestic consumption powers 60% of the GDP today and is expected to grow into a \$6 trillion opportunity by 2030 (Source: WEF Future of Consumption in Fast-Growth Consumer Markets: India, January 2019). Healthy savings by Indian households (22% of their income), higher proportion of young, working population and policy reforms will aid economic growth in the coming years.

However, growth estimates for 2018-19 have been lowered to 7% and recent high-frequency indicators around industrial activity, exports and sales of commercial vehicles and passenger vehicles have been tepid.

During the first nine months of 2018-19, the Index of Industrial Production (IIP) grew 4.6% (Source: Mospi, Business Standard), an improvement vis-à-vis 3.7% growth registered in the same period of the previous year (2017-18). Improved momentum in the capital goods segment was the prime driver of IIP. While capacity utilisation levels reached multi-year highs, business confidence indicators remained soft.

Inflation as measured by the Consumer Price Index (CPI) remained modest for a major part of the year owing to benign food inflation (forms ~46% of CPI). The softness in food inflation appears to be structural in nature, given the growing agricultural productivity in India. Wholesale Price Index (WPI) inflation too remained in low single digits in 2018-19 on account of marginal escalation in fuel prices.

With the inflation outlook remaining benign, the Reserve Bank of India (RBI) is now addressing the challenges to sustained growth of the Indian economy, while ensuring price stability on an enduring basis. The apex bank has gone back to its 'neutral' stance from 'calibrated tightening' which was adopted briefly between October and December 2018. Economic fundamentals such as the fiscal deficit continues to be within manageable limits. It is pegged at 3.4%, marginally higher than the targeted level of 3.3%. With both oil and non-oil imports de-growing, current account deficit too moderated in the year.



Policy actions and inflation trends

(%)

	April 2018	June 2018	August 2018	October 2018	December 2018	February 2019
Repo rate	6.00	6.25	6.50	6.50	6.50	6.25
CPI inflation	4.58	4.92	3.69	3.38	2.20	2.57
WPI inflation	3.60	5.70	4.60	5.50	3.80	2.93

The Indian Rupee (INR) remained weak for most part of the year and made all-time lows of 74.48 against the USD owing to higher oil prices, improving US yields, weak domestic fundamentals and outflows from domestic markets.

Credit growth in the banking sector recovered gradually and trended above 10% since April 2018. With the implementation of the new Insolvency and Bankruptcy Code, the situation gradually started to look up. It is encouraging to know that few banks have recently come out of the Prompt Corrective Action framework of RBI as they have improved their asset quality and the overall operational matrix.

Despite challenges, Non-banking Finance Companies (NBFCs) continue to be a key driver of India's economic growth by reaching the hinterland or the marginal customer, where formal commercial banking has failed to reach. This ability to bring formal finance to the doorstep of the unbanked has catalysed the growth of the NBFCs.

In the first half of 2018-19, total NBFC credit stood at Rs. 19 trillion and retail loans contributed to 45% of this pie (source: ICRA). Retail loans continued to be at the forefront of systemic credit growth with services being next in line. Within retail, loan against property (LAP), small and medium enterprises (SME) commercial vehicles and unsecured loans were the fastest growing categories. The moderate investment revival had resulted in an improvement in industrial credit offtake, though this has been unevenly distributed.

Lending to NBFCs though witnessed a mixed trend. While NBFC borrowings grew significantly till September 2018, emergence of liquidity issues brought down this metric in the later part of the year. Following the NBFC crisis, there was intense scrutiny around the liabilities, asset-liability mismatch and fresh disbursements to NBFCs. Amid escalating pressures, better governed NBFCs continued to fortify their market position.



Prospects for FY 2019-20

IMF has cut its projections for global growth in 2019 to 3.3% - the lowest since 2009. Uncertainty around US trade relations with China and other countries, developments around Brexit, volatile crude oil prices and geopolitical tensions in some countries are likely to adversely impact global growth and lead to a subdued investment cycle.

Economists estimate that CPI inflation will average around 3.6% in FY 2019-20, with some upside pressures emerging in the second half of the year. Upside risks to CPI inflation include reversal of vegetable price deflation, higher crude oil prices and any uptick in fiscal slippage.

Amid sluggish global growth, India will continue to be one of the world's fastest growing economies. According to the RBI, the Indian economy is likely to grow by 7.2% in FY 2019-20, supported by continued recovery of investment and robust consumption, normal monsoon and a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Sluggish global demand may have some impact on exports and continues to be a downside risk. Following the formation of the new government after Parliamentary elections, the policies adopted by the new government will provide better clarity on the future. Reversal of moderate revival in capex is a key downside risk to watch out for. Further, economists believe that the monetary policy committee is likely to retain an easing bias in FY 2019-20.

Going forward, credit growth is expected to remain strong at about 13-14% on the back of continued momentum in retail loans, gradual recovery in private sector capex and public sector banks coming out of Prompt Corrective Action. Improving economic growth, lower interest rate scenario are other factors facilitating the growth of the sector in the medium term. Retail and SME sectors are likely to fuel demand for credit with products such as home loans, car loans, consumer durables loans leading from the front.

Over the past decade, growth in NBFC credit (19% CAGR) has outpaced that of India's aggregate credit (14% CAGR) owing to improved availability of funds, growing reach and lower competition (especially from public sector banks). Most NBFCs have focused on niche, under-banked segments to achieve higher scale. Focus on the fast-growing semi-urban and rural markets has also aided growth of NBFCs in India.

We believe that well governed NBFCs will continue on the growth path not with standing the near term headwinds



Business Review

During FY 2018-19, AFL continued to drive high growth across business with a firm eye on profitability. The core book grew by 23% to Rs. 8,026 crore backed by a strong growth in Wholesale Disbursements (basis customer outstanding), which grew by 34% Y-o-Y. The mix of Wholesale and Retail AUM on an average asset basis (basis customer outstanding) stood at 86% and 14% respectively and 95% of the overall book is secured. Despite challenging environment, especially in RE Business, our portfolio continues to be satisfactory with GNPA at 0.38% of Advances.

Asset Book (includes core investments)

- FY 2018-19
Rs. 8,026 crores
- FY 2017-18
Rs. 6,528 crores

Recap of Key Events in FY19 in Financial Services Sector:

- FY19 was challenging year for the NBFC sector as there was a sharp rise in both the Bank's MCLR as well as Market Rates.
- Post the NBFC crises, the Liability side of the Balance sheet & ALM came under intense scrutiny of both the Regulators as well as various stakeholders, due to which several fresh disbursements were on hold
- The IBC Code provided a much needed relief to Banks / FIs, where a first few cases started to get resolved, which helped a few banks come out of Prompt Corrective Action
- Market corrected by approximately 15% before starting to stabilize back in Dec 2018.
- Real Estate Sector struggled with a sluggish demand mainly due to deferred buying because of GST arbitrage post project completion & NBFC Sector crisis.
- Private sector IPO mobilization was at a multi-year low mainly due to the Capital Market Volatility, Low FII inflows and sharp decline in SIP Mobilization.
- Share pledge related panic in some large listed groups.

A Recap of Recent NBFC Sector Developments:**NBFCs gained ~5% market share in System Credit over FY 12-18**

- In the overall credit system scenario from FY 12-18, NBFCs have gained approximately 5% of the market share mainly due to the given stagnant growth in Banking Credit because of sector wide NPA issues.



- NBFCs mainly offer differentiated and targeted products which makes it easier for them to bring on board non-banking customers.
- Also, the Credit Ratings of NBFCs were at historically best given level, due to which it made it easier to gain market share.

However, FY19 was a challenging year for the Sector

- In rising interest rate scenario, NBFCs started to face NIM pressure.
- Post the IL&FS crises, the NBFC Sector came under intense scrutiny of both the Regulators as well as various stakeholders.
- Few large NBFCs / HFCs came under extreme stress and the sector was started to be looked upon with caution.

Liability Side challenges for NBFCs

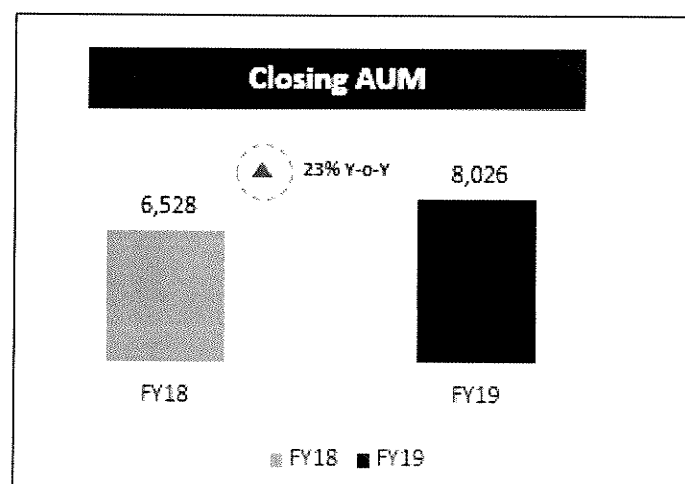
- The Liability side of the Balance sheet of the Mutual Fund sector's exposure to NBFCs went down from 19% to 15% during the 2nd half of the year, due to which Banks started to re-look at their Sector exposure and credit/risk spread.
- Overall market dependency for liability requirements came under close scrutiny by various stakeholders due to the given market scenario.

Asset side challenges for NBFCs

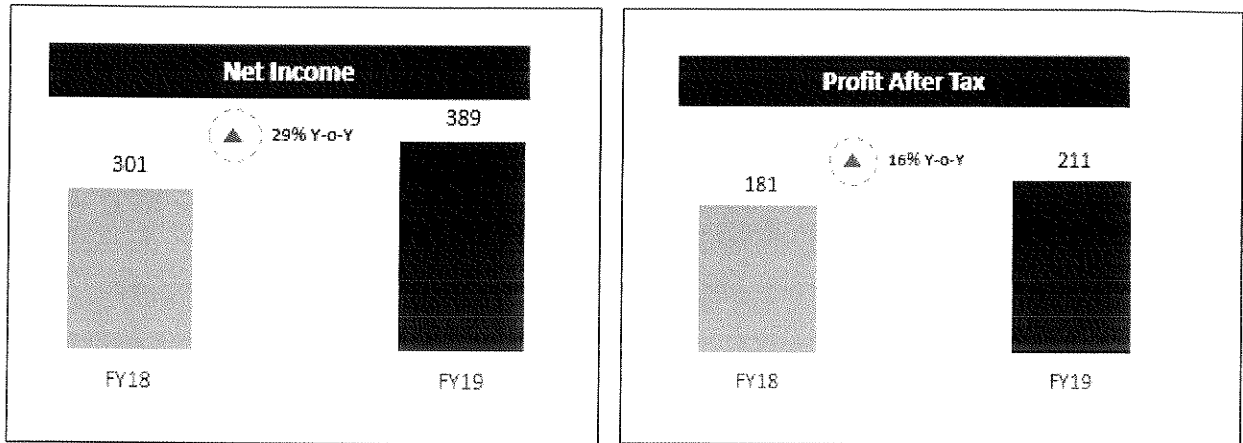
- The Asset side of the Balance sheet which has a sector concentration risk, especially in the RE Sector came under the radar of various stakeholders.
- Capital Market Volatility added to the worries of the participants.
- Due to the liability side concerns and changed risk perception, most players in the NBFC Sector have not grown their Balance Sheet size in HY-2, FY19

Snapshot of Advances Build-up

Below chart shows Y-o-Y growth in AUM (Loans + core investments)



Below chart shows Y-o-Y growth in Net Interest Income and Profit after Tax



Moderate growth in PAT relative to growth in AUM / NII is due to initial phase of setting up of New Retail Business as well as significant moderation in EBF (IPO) Financing Business in FY 2018-19

Regulatory Requirement – Minimum CAR of 15%

- FY 2018-19
CRAR at 21.09%
- FY 2017-18
CRAR at 22.91%

New Retail Business Update

- Axis Finance soft launched 2 new products viz., Affluent & Micro LAP in HY-2, FY19 and are working at scaling up these products in chosen markets in FY20
- Consumer Durable, another new product is expected to soft launch in Q1 FY20.
- The main ideology is make Mass Retail Advances atleast 10% of AUM in FY20 and make it a profitable component from FY21.

IND AS Impact

We are living in a world which is increasingly becoming more and more connected and cohesive, thanks to the rapid adoption of digitalisation across all economies. Business models are undergoing massive changes and business transactions are becoming increasingly complex. In such a scenario, it is becoming imperative for companies across the world to have

a single set of high quality accounting standards. Major economies of the world, including India, have already started converging their accounting standards with International Financial Reporting Standards (IFRS).

Indian NBFCs having a net worth in excess of Rs. 500 crores were expected to adopt the IFRS converged standards (Ind AS) with effect from 1st April 2018 with comparatives drawn up from 1st April 2017. AFL's net worth stood at Rs. 1,065 crores on 31st March 2018 and we successfully adopted Ind AS accounting standards from 1st April 2018. The Company is primarily impacted by Ind AS 109 Financial Instruments, which change the manner in which financial assets and liabilities are classified and measured.

The major areas of impact for the Company are explained here.

- Financial assets and liabilities classification: Classification into amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) based on business model test and contractual cash flow test.
- Recognition of interest income and expenses: Interest income and expenses are recognised based on effective interest rate (EIR) instead of contractual rate.
- Impairment: Credit loss allowance or provisions measured based on an expected credit loss model (ECL). The expected loss impairment model is applied to loans, debt securities and trade receivables measured at amortized cost or at FVOCI.

On the adoption of Ind AS, AFL is required to prepare and present its opening Ind AS Balance Sheet at the transition date with comparative period. AFL's transition date is 1st April 2018 and comparative opening balance sheet as on 1st April 2017 is prepared. All adjustments arising from the transition to Ind AS are recorded in the retained earnings and the impact is taken on 1st April 2017.



The impact of Ind AS transition on the Company's retained earnings is presented in the below table:

Particulars	Amount in ₹ Lakhs	
	As at March 31, 2018	As at April 1, 2017
Total equity as per Indian GAAP	1,06,463.88	87,637.78
Adjustments		
Adoption of EIR for amortization of income and expenses - receivables	(7,591.65)	(4,068.32)
Adoption of EIR for amortization of income and expenses - borrowings	623.84	600.51
Fair valuation of investments	-	7.81
Expected Credit Loss on financial instruments	(1,615.46)	(929.33)
Tax effects of adjustment	2,970.50	1,519.06
Total adjustments	(5,612.77)	(2,870.27)
Total equity as per Ind AS	1,00,851.11	84,767.50

Outlook

Over the preceding six years, AFL has grown from strength to strength. The Company will continue to make long and confident strides in its journey to becoming a diversified, larger and more efficient NBFC. AFL will grow its continue to grow its wholesale book and the new Retail product focus will lead the next charge of growth making AFL a well-diversified NBFC.

It will tap into the banking, NCD and other routes to raise growth capital in the future. Thus, AFL aims to become a more diversified NBFC and will continue to drive responsible growth across its business segments. By adapting swiftly to the external environment and embracing the best technology platforms, the Company will continue to strengthen its bond with existing customers and yet, add new customers at lower costs.

Risk Management

Overall Lending Policy	<ul style="list-style-type: none"> Centralised credit decision-making Thorough in-principle due diligence of proposals received Committee-based sanctioning process
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	<ul style="list-style-type: none"> Exposures above ₹50 crore sanctioned by Committee of Directors comprising 4 Directors (including 1 Independent Director)
Operational Risk Policies	<ul style="list-style-type: none"> Exposure to different geographies capped at threshold levels and reviewed annually Product-level exposure guardrails are in place Proactive review of the product-level guardrails Real-time risk monitoring of IAS portfolio
Liquidity Risk Policies	<ul style="list-style-type: none"> AFL has sanctioned bank lines to be used as a liquidity back-up in contingencies As a policy, the Company maintains unutilised bank lines as a liquidity backstop ALM gaps are monitored by the ALCO and the relevant limits within the regulatory thresholds

Information Technology

AFL has always invested in procuring advanced technologies to meet the requirements of business, manage risks effectively and drive productivity. The Company periodically upgrades technological processes to strengthen its IT capabilities in fuelling growth. It has also developed a Disaster Recovery Data Centre to ensure business continuity. It will continue to make further investments in IT systems and processes to increase overall efficiency and customer satisfaction.

Internal Control Systems

AFL observes compliance practices of the highest standard. The compliance team closely monitors RBI and other notifications on NBFCs with special attention to those relevant to the Company. The Company follows all prudential norms laid down for NBFCs and submits mandatory returns and statements in time. AFL has implemented a robust framework of internal controls that include precise delegation of authority and Standard Operating Processes that are available in all business segments and functions. The Company follows the practice of monitoring various internal control functions in-house as well as through external auditors whenever required or mandated. The Company also reviews risk management processes on a regular basis and documents the results.



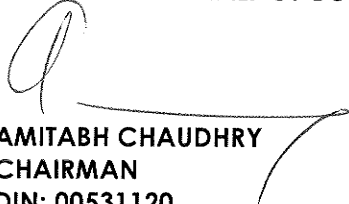
Human Assets

AFL offers its employees a dynamic and rewarding work culture to drive innovation and entrepreneurship. An empowered talent pool helps the organisation progress in a fast-changing operating context. Nurturing people is a key organisational goal and leadership mandate. The Company undertakes various employment engagement initiatives and regular reviews to encourage teams to outperform. Go-getters are also recognised for their contribution. Training and employee motivation are integral to AFL's policy. During FY2019, the Company's total employee strength stood at 276.

Cautionary Statement

Certain statements in this report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities, laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied.

FOR AND ON BEHALF OF BOARD OF DIRECTORS



**AMITABH CHAUDHRY
CHAIRMAN**

DIN: 00531120

Place: Mumbai

Date: 18/04/2019



AJAY V. MEHTA

COMPANY SECRETARY

20, C. J. New Kapor Niwas, 2nd Floor, Haveli Compound, M. G. Road, Ghatkopar (E), Mumbai 400 077
Contact: Cell: 09224 330 973 • Email: avmehta25@gmail.com

Date: April 17, 2019

To,
The Members,
Axis Finance Limited
Mumbai

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

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



AJ Mehta
AJAY V. MEHTA
PRACTISING COMPANY SECRETARY
A.C.S.9332 C.P.7247

PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date.

AJAY V. MEHTA

COMPANY SECRETARY

20, C. J. New Kapor Niwas, 2nd Floor, Haveli Compound, M. G. Road, Ghatkopar (E), Mumbai 400 077
Contact: Cell: 09224 330 973 • Email: avmehta25@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,
**The Members,
Axis Finance Limited
Mumbai**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Finance Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

A) I have examined the books, papers, minutes books, forms and returns filed and other records maintained by **Axis Finance Limited** ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) & the rules made there under ;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;

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AJAY V. MEHTA
COMPANY SECRETARY

20, C. J. New Kopol Niwas, 2nd Floor, Haveli Compound, M. G. Road, Ghatkopar (E), Mumbai 400 077
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(4) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

(a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(c) The Securities and Exchange Board of India (Issue and Listing Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(5) Based on the nature of business activities of the Company, the following specific Acts / Laws / Rules / Regulations are applicable to the Company:

- a. The Reserve Bank of India (Department of Non-Banking Supervision) Non Banking Financial (ND SI) Companies Prudential Norms (Reserve Bank) Directions;
- b. Prevention of Money Laundering Act, 2002;
- c. The Information Technology Act, 2000;
- d. The Indian Stamp Act, 1899 and respective concerned State Stamp Act;
- e. Labour Laws, to the extent applicable.

B) I have also examined compliance with the Secretarial Standards for Board Meetings (SS – 1) and for General Meetings (SS – 2).

It may please be noted that, the compliance of applicable financial laws including Direct and Indirect Tax Laws; maintenance of Financial Records and Books of Accounts etc. by the Company has not been reviewed by me for the purpose of this Audit since the same has been subject matter of review by the Statutory Auditors and / or other designated professionals. Further, I have also relied upon the certificates / reports, as the case may be, issued by the Statutory Auditors and / or other designated professionals, wherever applicable.



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AJAY V. MEHTA

COMPANY SECRETARY

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During the period under audit, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned herein above. However, I have observed the following reporting / filing delay in furnishing to the Stock Exchange:

- (a) Advance intimation under Regu.50(1) & 60(2) of SEBI (LODR) Regulations, 2015 in 3 cases each.
- (b) Compliance Certificate pursuant to Regu.7(3) of SEBI (LODR) Regulations, 2015 in 1 case.
- (c) Half yearly Report vide SEBI Circular No. CIR/IMD/DF-1/67/2017 in 1 case.

With respect to the reporting / filing delay as stated in the above para, it is pertinent to note that as on the date of this report, the Company is not in receipt of any adverse remarks / comments from any regulator/authority.

Further, it is suggested that due care needs to be taken to submit Advance intimations pursuant to Regu. 50(1) and 60(2) of SEBI (LODR) Regulations, 2015 separately instead of single intimation.

During the year under review, provisions of the following Regulations (as enumerated in the prescribed format of Form MR-3) were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder as there was no instance / transaction / business attracting the compliance thereof.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors & Non-Executive Directors pursuant to the provisions of Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the relevant Act.

Contd...4



AJAY V. MEHTA

COMPANY SECRETARY

20, C. J. New Kopol Niwas, 2nd Floor, Haveli Compound, M. G. Road, Ghatkopar (E), Mumbai 400 077
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Adequate notice had been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and that a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Unanimous decisions were carried through as there was no case of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in place in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as mentioned herein above.

I further report that during the audit period the Company had specific events / actions as detailed in **Annexure I** to this Report having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to herein above.

Place : Mumbai
Date : April 17, 2019.



Aj Mehta

AJAY V. MEHTA
PRACTISING COMPANY SECRETARY
A.C.S.9332 C.P.7247
Unique Code: I2006MH550400

AJAY V. MEHTA
COMPANY SECRETARY

20, C. J. New Kapol Niwas, 2nd Floor, Haveli Compound, M. G. Road, Ghatkopar (E), Mumbai 400 077
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Annexure I

List of Specific Events and Actions for FY 2018-19:

- A) Revision in remuneration of Mr. Bipin Saraf (DIN: 06416744) as Managing Director and CEO of the Company w.e.f 01.04.2018. (Approval of the Board at BM held on 16.04.2018 and approval of the Members at the AGM held on 10.07.2018.)
- B) Special Resolutions passed at the AGM held on 10.07.2018 w.r.t
- a) Authorizing the Board of Directors or Committee of Board of Directors to borrow money by way of debt issuance of Tier II Capital not exceeding Rs. 15,000 crores.
 - b) Creation of Charges on the Movable and Immovable properties of the Company, both Present and Future, in respect of the Borrowings.
 - c) Issue of Non-convertible Debentures (NCDs) on a Private Placement basis including bonds qualifying for Tier I and II capital for an aggregate amount not exceeding Rs. 5,000 Crores.
- C) Appointment of Mr. Rajesh Kumar Dahiya as Additional Director w.e.f. 10th July, 2018.
- D) Regularisation of Appointment of Mr. Jairam Ramamurthy Sridharan as Director of the Company at the AGM held on 10th July, 2018. (Change in designation from Additional Director to Director)
- E) Subject to approval of the Members, Central Govt., if required, Re-Appointment of & Payment of Remuneration to Mr. Bipin Kumar Saraf (DIN 06416744), as Managing Director & CEO of the Company for a further period of 3 (three) years with effect from 16th April, 2019. (Approval of the Board at BM held on 23.10.2018)
- F) Resignation of Mr. Srinivasan Varadarajan, Director w.e.f. 20th December, 2018.
- G) Appointment of Mr. Amitabh Chaudhry as Additional Director w.e.f. 17th January, 2019.
- H) Resignation of Mr. Rajesh Kumar Dahiya, Director w.e.f. 18th March, 2019.
- I) Execution of Debenture Trust Deed on 25.10.2018 for issue of Debentures to the extent of Rs.1500 Crores.



AJAY V. MEHTA

COMPANY SECRETARY

20, C. J. New Kapor Niwas, 2nd Floor, Haveli Compound, M. G. Road, Ghatkopar (E), Mumbai 400 077
Contact: Cell: 09224 330 973 • Email: avmehta25@gmail.com

J) Allotment of Debentures:

- i) 1,000 Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each on 19/06/2018.
- ii) 1,020 Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each on 25/06/2018.
- iii) 1,273 Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each on 04/07/2018.
- iv) 715 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each on 25/07/2018.
- v) 1,450 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each on 04/09/2018.
- vi) 500 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each on 10/12/2018.
- vii) 1,000 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each on 22/01/2019.
- viii) 1,270 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each on 28/03/2019.



INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Finance Limited

Report on the Audit of the Indian Accounting Standard ('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 2019, 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 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, 2019, 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.

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, 2019. 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.



Key audit matters	How our audit addressed the key audit matter
<p>(a) Transition to Ind AS accounting framework (as described in note 39 of the Ind AS financial statements)</p>	
<p>In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes relating to financial reporting, including generation of reliable and supportable information. Further, the management has exercised significant judgement for giving an appropriate effect of principles of First-time Adoption of Indian Accounting Standards (Ind AS 101), as at transition date and to determine the impact of the new accounting framework on certain accounting and disclosure requirements prescribed under extant Reserve Bank of India ('RBI') directions. Further, certain provision of Financial Instruments (Ind AS 109) are different as compared to RBI guidelines.</p>	<p>We have reviewed the Ind AS impact assessment performed by the management to identify areas to be impacted on account of Ind AS transition.</p> <p>We have understood the financial statement closure process (including disclosures in notes to accounts) and the additional controls established by the Company for transition to Ind AS. We have tested the design and operating effectiveness of key controls for processes identified by the Company for impact assessment.</p> <p>We assessed the exemption availed by the management in applying the first-time adoption principles of Ind AS 101.</p> <p>We understood the judgements applied by the Company in respect of areas where the accounting treatment adopted or the disclosures made under the new accounting framework were different from the extant RBI directions.</p> <p>We have understood the changes made to the accounting policies in light of the requirements of the new framework.</p> <p>We performed test of details on the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</p> <p>We assessed the disclosures included in the Ind AS financial statements in accordance with the requirements of Ind AS 101, with respect to the previous periods presented.</p>
<p>(b) Impairment of financial assets (expected credit losses) (as described in note 27 of the Ind AS financial statements)</p>	
<p>Ind AS 109 requires the Company to recognise impairment allowance towards its financial assets (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured</p>	<p>Our audit procedures included considering the appropriateness of the Company's accounting policies for impairment of financial assets and assessing their compliance with the respect to Ind AS 109.</p>

L

Key audit matters	How our audit addressed the key audit matter
<p>considering the guiding principles mentioned in the standard.</p> <p>Applying such principles and other requirements of the standard with respect to such allowance involves use of significant degree of judgement by the Company especially with respect to the following aspects:</p> <ul style="list-style-type: none"> • Grouping of borrowers on the basis of homogeneity given the variety of products; • Staging of loans and estimation of behavioral life; • Estimation of expected loss from historical observations; • Estimation of losses for loan products with no/ minimal historical defaults. <p>Considering the significance of such allowance to the overall financial statements and the degree of management's judgment, any error or misstatement in such estimate may give rise to a material misstatement of the Ind AS financial statements or omission of any disclosure required by the standards. Therefore, it is considered as a key audit matter.</p>	<p>We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation.</p> <p>We tested the operating effectiveness of the controls for staging of loans based on their past-due status. We have also reviewed a sample of performing (stage 1 and 2) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 as applicable. We selected a sample (based on quantitative thresholds) of larger clients where impairment indicators had been identified by the Company. We obtained the Company's assessment of the recoverability of these exposures and tested individual impairment provisions, This included the following procedures:</p> <ul style="list-style-type: none"> • Challenged the probability weighting assigned to each scenario • Assessed external collateral valuer's credentials and compared external valuations to values used in the Company's impairment assessments. <p>We tested the ECL model and computation for its: Model/ Methodology used for various loan products including;</p> <ul style="list-style-type: none"> • Management's grouping of borrowers on basis of different product lines and customer segments with different risk characteristics. • Staging of loans based on their past-due status and other loss indicators. • Various assumptions for calculation of expected loss viz. probability of default, loss given defaults, exposure at default, discounting factors applied by the management along with Management's governance process and documentation of its assumptions; • Basis of floor/ minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. <p>We performed test of details of the inputs information used in the ECL computation, on a sample basis.</p>

Key audit matters	How our audit addressed the key audit matter
	<p>We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</p> <p>We assessed the disclosures included in the Ind AS financial statements with respect to such allowance / estimate in accordance with the requirements of Ind AS 109 and Financial Instruments: Disclosures (Ind AS 107).</p>

Other Information

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

1. 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.
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) 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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, 2019 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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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
Place of Signature: Mumbai
Date: April 18, 2019

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

Re: Axis Finance Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment 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, 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 granted 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 and service tax, sales-tax, service tax, value added tax, cess and other statutory dues applicable to it. 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.
- (b) According to the information and explanations given to us, no undisputed amounts payable In respect of provident fund, Income-tax, goods and service tax, service tax, and other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision relating to



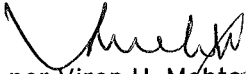
employee's state insurance, sales tax, custom duty, excise duty and value added tax are currently not applicable to the Company .

- 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.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt Instruments In the nature of commercial papers, non-convertible debentures and term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purposes 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 fraud on the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/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, 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, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



- xvi) According to the information and explanations given to us, we report that the Company has been registered as required, under the provisions of section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. BATLIBOI & CO. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants



per Viren H. Mehta

Partner

Membership No.: 048749

Place: Mumbai

Date: April 18, 2019

**ANNEXURE 2
TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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 over financial reporting of Axis Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



per Viren H. Mehta
Partner

Membership Number: 048749

Place of Signature: Mumbai

Date: April 18, 2019

Axis Finance Limited

Balance Sheet as at March 31, 2019

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

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial Assets				
Cash and cash equivalents	4	90.62	213.21	56,509.17
Trade Receivables	5	505.56	893.29	422.92
Loans	6	7,92,579.89	6,52,834.27	4,23,288.62
Investments	7	9,977.43	-	39,055.60
Sub-total-Financial assets		8,03,153.50	6,53,940.77	5,19,276.31
Non-Financial Assets				
Current Tax Assets (net)		2,883.32	1,689.84	976.44
Deferred Tax Assets (net)	35	5,018.33	3,874.15	2,103.89
Property, plant and equipment	8	115.96	87.57	49.48
Other Intangible Assets	9	1,324.95	256.15	213.40
Other non-financial assets	10	121.47	71.21	60.13
Sub-total-Non-financial assets		9,464.03	5,978.92	3,403.34
Total - Assets		8,12,617.53	6,59,919.69	5,22,679.65
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Debt securities	11	3,73,722.85	3,23,582.98	3,51,594.34
Borrowings (Other than debt securities)	12	2,47,251.90	1,69,418.82	55,087.39
Subordinated Liabilities	13	49,848.72	49,835.38	19,906.98
Other financial liabilities	14	17,538.63	14,127.67	10,479.10
Sub-total-Financial liabilities		6,88,362.10	5,56,964.85	4,37,067.81
Non-Financial liabilities				
Provisions	15	825.93	638.12	518.85
Other non-financial liabilities	16	1,390.23	1,465.61	325.49
Sub-total-Non-financial liabilities		2,216.16	2,103.73	844.34
EQUITY				
Equity share capital	17	48,075.00	48,075.00	41,825.00
Other equity	18	73,964.27	52,776.11	42,942.50
Total - Equity		1,22,039.27	1,00,851.11	84,767.50
Total - Equity and Liabilities		8,12,617.53	6,59,919.69	5,22,679.65

The accompanying notes are forming part of financial statements

As per our attached report of even date

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm Registration No.301003E/E300005

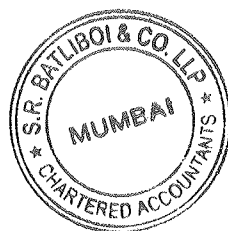


per Viren H. Mehta

Partner

Membership No.: 048749

Date: April 18, 2019



For and behalf of the board of Axis Finance Limited



Amitabh Chaudhry

Chairman

DIN No: 00531120



Amith Iyer

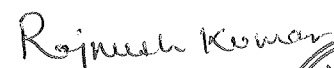
Chief Financial Office



Bipin Kumar Saraf

Managing Director

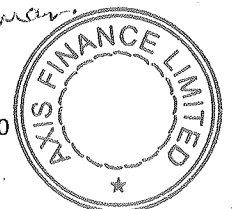
DIN No: 06416744



Rajneesh Kumar

Company Secretary

Membership No: A31230



Axis Finance Limited
Statement of Profit or Loss for the year ended March 31, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest Income	19	88,818.73	66,470.65
Net gain on fair value changes		614.00	2,148.10
Others	20	1.05	0.35
Total Revenue from operations		89,433.78	68,619.10
Other Income	21	88.65	-
Total income		89,522.43	68,619.10
Expenses			
Finance Costs	22	49,963.73	36,403.93
Impairment on financial instruments	23	2,158.47	1,619.53
Employee benefit expenses	24	2,685.27	1,579.12
Depreciation, amortization and impairment	25	123.05	74.63
Others expenses	26	2,051.24	1,169.57
Total expenses		56,981.76	40,846.78
Profit before exceptional items and tax		32,540.67	27,772.32
Exceptional Items		-	-
Profit before taxes		32,540.67	27,772.32
Tax expenses			
- Current Taxes		12,630.11	11,437.04
- Deferred Taxes		(1,144.18)	(1,770.26)
Profit for the period		21,054.74	18,105.54
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of net defined benefit plans		(1.87)	(4.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.65)	(1.66)
Sub-total (A)		(1.22)	(3.14)
B (i) Items that will be reclassified to profit or loss		-	-
Sub-total (B)		-	-
Other Comprehensive Income (A+B)		(1.22)	(3.14)
Total Comprehensive Income for the year		21,053.52	18,102.40
Earnings per equity share			
Basic (Rs.)		4.38	4.27
Diluted (Rs.)		4.38	4.27

As per our attached report of even date

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm Registration No.301003E/E300005

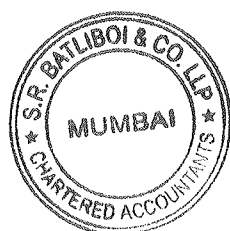


per **Viren H. Mehta**

Partner

Membership No.: 048749

Date: April 18, 2019



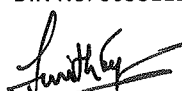
For and behalf of the board of Axis Finance Limited



Amitabh Chaudhry

Chairman

DIN No: 00531120



Amith Iyer

Chief Financial Officer



Bipin Kumar Saraf

Managing Director

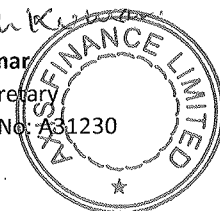
DIN No: 06416744



Rajneesh Kumar

Company Secretary

Membership No: A31230



Axis Finance Limited

Statement of Changes in Equity for the year ended March 31, 2019

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

1. Equity Share Capital

Particulars	Balance at the beginning of the period	Changes in equity share capital during the year	Balance at the end of the reporting period
As at 1 April 2017	36,825.00	5,000.00	41,825.00
As at 31 March 2018	41,825.00	6,250.00	48,075.00
As at 31 March 2019	48,075.00	-	48,075.00

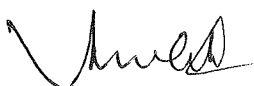
1A. Other equity

Particulars	Reserves and Surplus			Deemed Capital contribution	Total
	Statutory Reserve	Securities Premium	Retained Earnings		
Balance as at April 1, 2017	8,567.00	21,980.00	12,303.87	91.63	42,942.50
Profit for the period (a)	-	-	18,105.54	-	18,105.54
Remeasurement of defined benefit plans and fair value changes (b)	-	-	(3.14)	-	(3.14)
Total Comprehensive Income for the period (a+b)	-	-	18,102.40	-	18,102.40
Dividend including DDT	-	-	(14,596.76)	-	(14,596.76)
Transfer to/from retained earnings	4,188.00	-	(4,188.00)	-	-
Employee Stock Option	-	-	-	90.47	90.47
On issue of shares	-	6,250.00	-	-	6,250.00
Utilization during the year against share issue expense	-	(12.50)	-	-	(12.50)
Balance as at March 31, 2018	12,755.00	28,217.50	11,621.51	182.10	52,776.11
Profit for the period (a)	-	-	21,054.74	-	21,054.74
Remeasurement of defined benefit plans and fair value changes (b)	-	-	(1.22)	-	(1.22)
Total Comprehensive Income for the period (a+b)	-	-	21,053.52	-	21,053.52
Dividend including DDT	-	-	-	-	-
Transfer to/from retained earnings	4,211.00	-	(4,211.00)	-	-
Employee Stock Option	-	-	-	134.65	134.65
On issue of shares	-	-	-	-	-
Utilization during the year against share issue expense	-	-	-	-	-
Balance as at March 31, 2019	16,966.00	28,217.50	28,464.03	316.75	73,964.27

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm Registration No.301003E/E300005

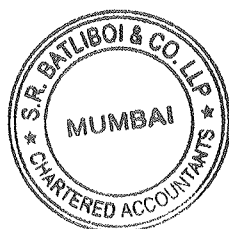


per Viren H. Mehta

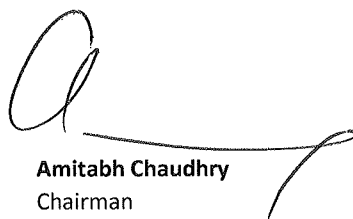
Partner

Membership No.: 048749

Date: April 18, 2019



For and behalf of the board of Axis Finance Limited



Amitabh Chaudhry

Chairman

DIN No: 00531120



Amith Iyer

Chief Financial Officer



Bipin Kumar Saraf

Managing Director

DIN No: 06416744



Rajnesh Kumar

Company Secretary

Membership No: A31230

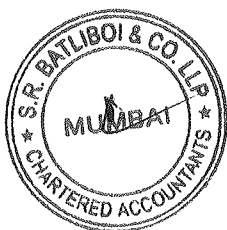


AXIS FINANCE LIMITED

Statement of Cash Flows for the year ended 31 March 2019

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

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
A. Cash flow from operating activities		
Profit before tax	32,540.67	27,772.32
Adjustments for:		
Depreciation, amortization and impairment	123.05	74.63
Profit on sale of investment	(614.00)	(2,148.10)
Impairment on financial instruments	2,158.47	1,619.53
Employee Stock Option	134.65	90.47
Interest on debentures	(12.38)	-
Operating profit before working capital changes	34,330.46	27,408.85
Movement in working capital:		
Decrease/(increase) in Receivables	387.73	(470.37)
Decrease/(increase) in Loans	(1,41,902.15)	(2,31,185.18)
Increase/(decrease) in Borrowings	1,27,986.31	1,16,248.46
Decrease/(increase) in Other non-financial assets	(52.13)	(11.08)
Increase/(decrease) in Other financial liabilities	3,410.96	3,648.56
Decrease/(increase) in Interest Accrued / fees on Investments	33.00	1,067.79
Increase/(decrease) in Provisions	187.81	114.47
Increase/(decrease) in Other non-financial liabilities	(75.38)	1,140.11
Cash generated from operations	24,306.61	(82,038.38)
Income tax paid	(13,822.94)	(12,148.78)
Net cash flow from operating activities (A)	10,483.67	(94,187.16)
B. Cash flow from investing activities		
Purchase of Property, plant and equipment	(82.05)	(68.11)
Sale of Property, plant and equipment	0.28	-
Purchase for Intangibles	(1,138.49)	(87.36)
Sales of investment at Amortised Cost	-	10,000.00
Purchase of investment at Amortised Cost	(10,000.00)	-
Proceeds from sale of investment at FVTPL	21,77,454.00	48,74,530.05
Purchase of investment	(21,76,840.00)	(48,44,374.14)
Net cash flow from investing activities(B)	(10,606.26)	40,000.44
C. Cash flow from financing activities		
Proceed from issue of shares (net of issue expenses)	-	12,487.50
Payment of dividend	-	(12,127.84)
Payment of Dividend Distribution Tax	-	(2,468.94)
Net cash flow from financing activities(C)	-	(2,109.28)
Net increase/(decrease) in cash and equivalents(A+B+C)	(122.59)	(56,296.00)
Cash and cash equivalents at the beginning of the year	213.21	56,509.21
Cash and cash equivalents at the end of the year	90.62	213.21



AXIS FINANCE LIMITED

Statement of Cash Flows for the year ended 31 March 2019

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

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Note:		
Cash and cash equivalents includes:		
Cash	0.14	0.05
Balance with banks	90.48	213.16
Bank Overdraft		
	90.62	213.21

As per our attached report of even date

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm Registration No.301003E/E300005

per Viren H. Mehta

Partner

Membership No.: 048749

Date: April 18, 2019



For and behalf of the board of Axis Finance Limited

Amitabh Chaudhry

Chairman

DIN No: 00531120

Amith Iyer

Chief Financial Officer

Bipin Kumar Saraf

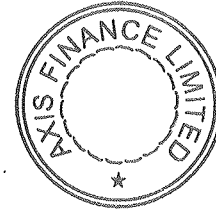
Managing Director

DIN No: 06416744

Rajneesh Kumar

Company Secretary

Membership No: A31230



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

2. Corporate information

Axis Finance Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is a non-deposit accepting non-banking finance Company or NBFC-ND-SI registered with Reserve Bank of India (RBI) holding Certificate of Registration No N-13.02001. The Company is mainly engaged in the business of financing activities. The Company's registered office is at Ground floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai – 400025. Company's Debentures are listed at BSE Limited.

Financial Statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 18 April 2019.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity financial position and financial performance is provided in Note 39. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest INR in Lakhs, except when otherwise indicated.

(ii) Historical Cost Convention

The Financial Statements have been prepared on a historical cost basis, except for the following

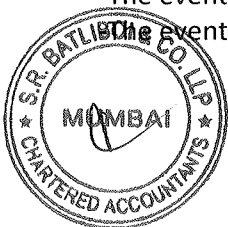
- Certain financial assets and liabilities which are measured at fair value/amortised cost;
- Defined benefit plans-plan assets measured at fair value; and
- Share Based payments.

2.2 Presentation of financial statements

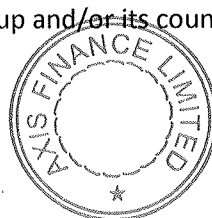
The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 29.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties



A handwritten signature in black ink, appearing to read "Anil K. Smith".



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

3. Significant accounting policies

3.1 Recognition of interest income

3.1.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

3.1.2 Interest Income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired (as set out in Note 3.2.6) and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial assets cures (as outlined in Note 3.2.6) and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income is shown as under Revenue from operations in the statement of profit or loss.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when Company becomes party to the contractual provisions of the instruments.

3.2.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades, purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Loans are recognized when funds are transferred to the customers' account. The company recognizes debt securities, deposits and borrowings when funds reach the company.

3.2.2 Initial recognition, classification and subsequent measurement of financial assets

Financial assets are classified into one of the three categories for measurement and income recognition:

- Amortized Cost (AC)
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

Classification of financial assets is based on the assessment of business model and contractual cash flow test.

Financial asset is measured at amortized cost, if both the following conditions are met:

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



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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

Further other things remain the same (as in (a) and (b) above), if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, such asset/s are classified as held at FVOCI.

In case of a financial asset that does not meet both the above conditions, it is classified as FVTPL.

a) Business Model (BM) Assessment

In order to arrive at the appropriate Business Model, the following factors are considered by the Company.

- How the performance of the business model (including the financial assets in that business model) are evaluated and reported to key management personnel within the Company.
- The risks that affect the performance of the business model (and the financial assets in it) and how those risks are managed.

Changes in Business Model

The Company periodically reviews and updates the existing business model for its portfolio as long as these changes are expected to be infrequent, significant to the entity's operations, and demonstrable to external parties.

b) Solely Payments of Principal and Interest (SPPI) Test

Contractual Cash Flow Assessment

To determine whether a financial asset is measured at either amortized cost or FVOCI, the Company has considered whether the cash-flows from the financial asset are solely for the payments of principal and interest ("SPPI").

For the purpose of Ind AS 109, principal and interest are defined as follows:

- Principal is the fair value of the financial asset at initial recognition
- Interest is consideration for:
 - The time value of money
 - Credit risk associated with the principal amount
 - In addition, interest may also include consideration for other basic lending risks such as liquidity risk and costs of holding the asset (e.g. administrative costs)
 - Interest may include a profit margin that is consistent with a basic lending arrangement

If the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding then the SPPI criteria is met.

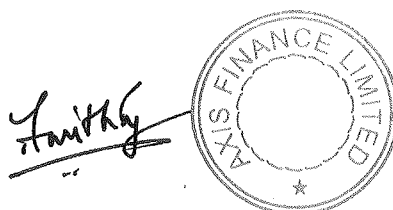
The Company has classified its financial assets into the following four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

3.2.3 Initial measurement, classification and subsequent measurement of Financial Liabilities

Classification of Financial Liabilities

The Company classifies all financial liabilities at initial recognition based on contractual terms and business model for managing the instrument.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

Initial and Subsequent measurement of Financial Liability

The Company measures the financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability, at initial recognition.

Initial recognition and subsequent measurement of financial liability is based on their classification.

Company's most of the Financial Liabilities are measured initially and subsequently measured at amortized cost.

3.2.4 De-recognition of Financial Assets and Liabilities

a) De-recognition of Financial Assets

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains the control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

b) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3.2.5 Reclassification of Financial Assets and Financial Liabilities

The company is required to reclassify financial assets when and only when it changes its business model for managing financial assets.

Reclassifications are expected to be very infrequent. Such changes must be determined by the company's senior management as a result of external or internal changes and must be significant to the company's operations and demonstrable to external parties.

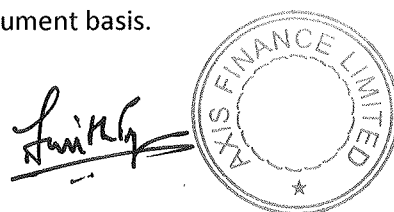
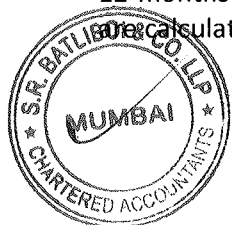
Further re- classification is not allowed in following cases;

- Investments in equity instruments irrevocably designated as at FVOCI cannot be reclassified.
- Reclassification of financial liabilities

3.2.6 Impairment of Financial Assets

The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

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

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months' expected credit loss. Stage 1 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 2.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for the life time expected credit loss. Stage 2 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 3.

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

Calculation of Expected Credit Losses (ECL)

The Company calculates ECL to measure the expected cash shortfall, discounted at the Effective Interest Rate (EIR). Expected cash shortfall is the difference between the cash flows that are contractually due to the Company and cash flows that the Company expects to receive.

Key elements considered for ECL calculation are as under:

Probability of Default (PD): It is an estimate of the likelihood of default over a given time horizon. In order to estimate the PDs, studies on defaults available in public domain and experience of the Parent (Axis Bank Limited) have been taken into account.

Exposure at Default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments. A credit conversion factor of 10% is applied for expected drawdown on committed loan facilities.

Loss Given Default (LGD): LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

ECL is calculated as under:

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

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

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

The Company also adopts a loss based approach to calculate ECL for assets predominantly secured by listed / quoted financial securities.

(Refer Note 27)

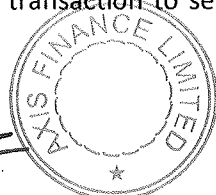
3.3 Fair Value Measurement

The Company measures financial instruments such as investment in mutual funds at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

in the principal market for the asset or liability, or



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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

- In the absence of a principal market, in the most advantageous market for the asset or liability

The Principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses Net Asset Value (NAV) to fair value investments in mutual funds.

Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.
(Refer Note 28)

3.4 Recognition of Revenue

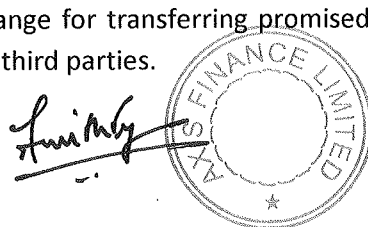
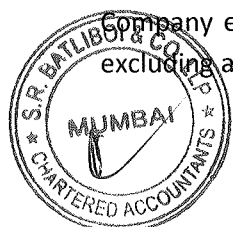
Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation

3.4.1 Dividend income

Dividend income (including from FVOCI investments) is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

3.4.2 Trading income

Trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading.

3.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.6 Property, plant and equipment ('PPE')

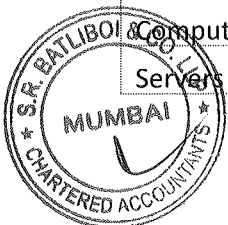
PPE are held for use in supply of services and for administrative purpose, used for more than one period and not held for sale in the normal course of business. PPE and Capital work-in-progress ('CWIP') are stated at cost, net of accumulated depreciation.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

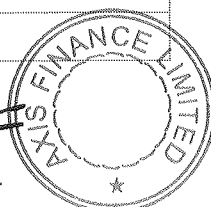
The Company is using cost model, depreciation is calculated on straight line method using the rates arrived based on useful lives as estimated by management. Depreciation on assets purchased during the year is provided on pro rata basis from the date asset is available for use as intended by management. Item of PPE is derecognized upon disposal, when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition is included in statement of profit or loss. The residual values, useful lives and method of depreciation of PPE are reviewed annually and adjusted prospectively.

The Company has used below estimated useful lives to provide depreciation and amortization on its Property, plant and equipment.

Assets	Estimated Useful Life (in years)
Tangible Assets:	
Computers	3
Servers	3



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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

Furniture & Fixtures	10
Office Equipment	5
Vehicles	4
Land and Building	60
Intangible Assets:	
Software	5

The management has estimated, supported by independent assessment by professionals, the useful life of the following class of asset.

Vehicles are depreciated over the estimated useful life of 4 years which is lower than those indicated in schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7 Intangible Assets

Intangible assets are assets without physical substance, controlled by Company as a result of past events and from which future economic benefits are expected to flow. Intangible asset includes computer software. Intangible assets are stated at cost, net of accumulated amortization and accumulated impairment losses.

Company using cost model, amortization is calculated on straight line basis using the rates arrived based on useful lives as estimated by management. Amortization on assets purchased during the year is provided on pro rata basis from the date asset is available for use. The residual values, useful lives and method of amortization are reviewed annually and adjusted prospectively.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

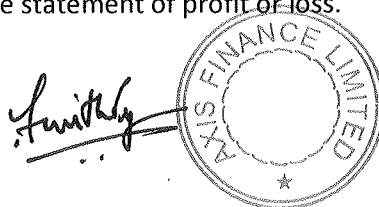
3.8 Impairment of Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.9 Provisions and Contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is presented in the statement of profit or loss.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statement.

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. These are reviewed at each year end and reflect the best current estimate. (Refer Note 30, 31 & 36)

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.11 Taxes

Current income Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961. The tax rates and tax laws used to compute the Income tax are those enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

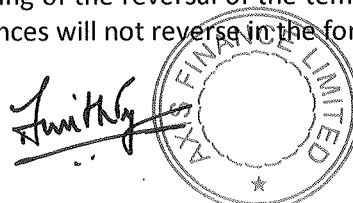
Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

-In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that temporary differences will not reverse in the foreseeable future.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

-When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

-In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized to the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the goods and services tax/value added taxes paid, except:

-When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

-When receivables and payables are stated with the amount of tax included

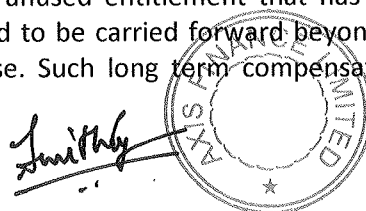
-The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. (Refer Note No 35)

3.12 Employee Benefits

Employee benefits are all forms of consideration given or promised by an entity in exchange of services rendered by its employees. These benefits includes salary related benefits, termination benefits, post-employment benefits.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. Company measures the expected cost of such absence as the additional amount that it is expected to pay as result of the unused entitlement that has accumulated at the year end. Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purpose. Such long term compensated absences are provided for



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

based on the actuarial valuation using the projected unit credit method or such other method as suggested by actuarial valuation at the reporting date. Actuarial gain and loss is recognized in Profit & Loss Statement.

Provident Fund

Retirement benefit in the form of provident fund is defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. Company recognizes contribution payable to provident fund scheme as expenditure, when an employee renders the related service.

Gratuity

Company provides for the gratuity, a defined benefit retirement plan covering all employees. Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Company recognizes the service cost (past and current), gain and losses on curtailment, non-routine settlement, net interest income or expense to Profit and Loss.

Re-measurement comprising of actuarial gain and losses on obligations/plan assets due to change in demographic, financial assumptions and experience are recognized immediately in the balance sheet with corresponding debit or credit to retained earnings in the period in which they occur through OCI under items that will not be reclassified to profit or loss. (Refer Note 34)

3.13 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition. (Refer Note No. 37).

3.14 Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares (Refer Note 32).

3.15 Events after the reporting period

Events after the reporting period are those events, both favorable and unfavorable that occur between end of the reporting period and the date on which the financial statements are approved for issue.

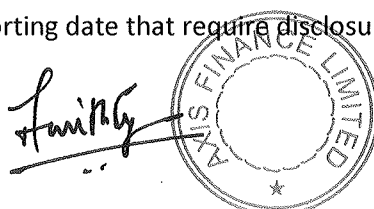
Adjusting Events

Events which provide further evidence of conditions that existed at the end of the reporting period are adjusting events. Financials have been adjusted for those events.

Non-adjusting Events

Events which are of indicative of conditions that arise after the end of the reporting period are Non-adjusting events. Disclosure of the nature of event and estimate of its financial effect have been made in the financial statements.

There have been no events after the reporting date that require disclosure in these financial statements.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

3.16 Related Party Disclosure

A related party is any party of entity that controls or can significantly influence the management or operating policies of the Company during the reporting period.

The Company has disclosed names of related parties with relationship and transaction between Company and its related parties in the Notes to financial statements (Refer Note 33).

3.17 Share based payments

Company select employees receive shares of Axis Bank Limited and company does not have obligation to settle the award, the award is treated as Equity settled plan. Company recognizes an expense for the grant date fair value of award over the vesting period and corresponding credit as "Deemed Equity Contribution" by parent.

3.18 Business Combination

Business combination is a transaction or event in which an entity obtain control of one or more business. For business combinations between entities that are under common control, there is specific guidance included in Ind AS 103. Such business combinations are accounted by using the pooling of interests method.

Under the pooling of interests method:

- All assets and liabilities of the acquiree are reflected at their previous carrying values in the books of the acquirer.
- No adjustments are made to reflect any fair values, nor are any new assets recognised.
- The only adjustment permitted is the adjustment towards uniform accounting policies.

3.19 Significant accounting judgments, estimates and assumptions

The preparation of Ind AS financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

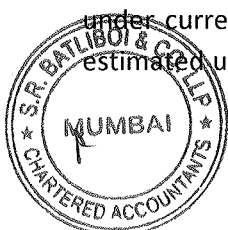
In the process of applying the accounting policies, management has made the following judgments, which have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

a) Business model assessment

Classification and measurement of financial assets depends on the results of SPPI and the business model test. The company determines the business model at level that reflects how the groups of financial assets are managed together to achieve a particular business objective. The assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risk that affect the performance of the assets and how these are managed.

b) Fair Value of Financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions i.e exit price regardless of whether that price is directly observable or estimated using another valuation technique. When the fair value of financial asset and financial liabilities



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A circular stamp of Axis Finance Limited. The text around the perimeter reads "AXIS FINANCE LIMITED". In the center, there is a star symbol.

AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

recorded in Balance sheet cannot be derived from active markets, they are determined using variety of valuation techniques that includes the use of valuation models.

c) Effective Interest Rate (EIR) method

The company's EIR methodology as explained in Note 3.1.1, recognizes interest income/expense using a rate of return that represents the best estimate of constant rate of return over the expected behavioral life of loans given/taken and recognizes the effect of potentially different interest rate at various stages and other characteristics of the product life cycle including repayment/pre-payment/part payment.

The estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well expected changes to base rate and other fee income/expense that are integral parts of the instrument.

d) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by number of factors, changes in which can result in different level of allowances.

The ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Determination of association between economic inputs such as external rating downgrade, any case against the customer filled by other lender
- Development of ECL models, including the various formulas and choices of inputs
- Determination of association between DPDs and Collateral Values and impact of the same on PD, LGD and EADs
- Experience of the parent (Axis Bank Limited), experience of peer's data and studies on defaults or losses available in public domain have been taken into account

The company will review its model in context of actual loss experience and adjust whenever necessary.

e) Provisions and other contingent liabilities

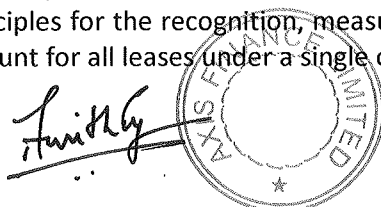
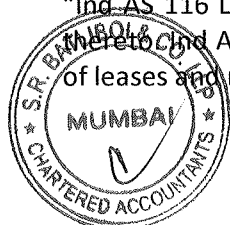
The company operates in a regulatory environment that by nature has element of litigation risk inherent to its operations.

When the company can reliably measure the outflow of economic benefit in relation to specific case and consider such outflow is probable, the company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incident. Significant judgment is required to conclude on these estimates.

3.20 Standards issued but not yet effective:-

"Ind AS 116 Leases is effective from 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the



AXIS FINANCE LIMITED

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

accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements."



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4 Cash and cash equivalents

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Cash on hand	0.14	0.05	0.13
Balances with banks			
(a) In current accounts	88.37	211.13	55,992.10
(c) In overdraft account	2.11	2.03	516.94
Total	90.62	213.21	56,509.17

5 Trade Receivables

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Unsecured Receivables considered good			
- Related parties	226.34	659.85	420.22
- Others	283.27	237.60	2.70
Less: Provision for impairment loss	(4.05)	(4.16)	(0.00)
Total Receivables	505.56	893.29	422.92

Note:

- Above Trade Receivables are outstanding for less than 30 days from the transaction date.
- There are no trade receivable from Directors or Officers of the Company.

6 Loans

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Secured loans	7,55,300.03	6,22,531.26	4,04,839.26
Unsecured loans	43,698.55	34,565.08	21,076.05
Less: Impairment provision for financial instruments at	6,418.69	4,262.07	2,626.69
Total	7,92,579.89	6,52,834.27	4,23,288.62

Loans at Amortised Cost (In India)

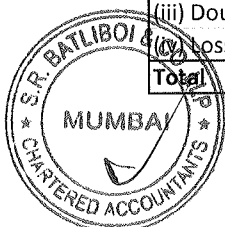
A) Term Loans other than Public sector	7,98,998.58	6,57,096.34	4,25,915.31
Gross	7,98,998.58	6,57,096.34	4,25,915.31
Less: Impairment loss allowance	6,418.69	4,262.07	2,626.69
Net	7,92,579.89	6,52,834.27	4,23,288.62
B) (i) Secured by tangible assets	7,55,300.03	6,22,531.26	4,04,839.26
(ii) Unsecured	43,698.55	34,565.08	21,076.05
Gross	7,98,998.58	6,57,096.34	4,25,915.31
Less: Impairment loss allowance	6,418.69	4,262.07	2,626.69
Net	7,92,579.89	6,52,834.27	4,23,288.62

Notes:-

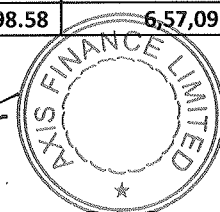
- Loans Include Interest accrued but not due
- Loans to the extent of ₹ in Lakhs 7,55,300.03 (31 March 2018: 6,22,531.26; 1 April 2017: 4,04,839.26) are secured by:
 - Hypothecation of assets and / or
 - Mortgage of property and / or
 - Corporate guarantee/personal guarantee of directors in certain cases over and above of security
 - Pledge of shares & other financial securities.

The classification of loans under RBI guidelines is as under:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
(i) Standard assets	7,95,949.29	6,57,096.34	4,25,915.31
(ii) Sub-standard assets	3,049.29	-	-
(iii) Doubtful assets	-	-	-
(iv) Loss assets	-	-	-
Total	7,98,998.58	6,57,096.34	4,25,915.31



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AXIS FINANCE LIMITED

Notes forming part of the financial statements

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

7 Investments

As at March 31, 2019

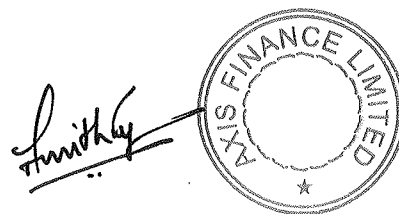
Investments in India	Amortised Cost 1	Through profit and loss account 2	Total (3=1+2)
Debt securities			
Investment in NCD			
<u>Quoted</u>			
NCD Investment	9,979.38	-	9,979.38
Total – Gross (A)	9,979.38	-	9,979.38
Less: Allowance for impairment loss (B)	(1.95)	-	(1.95)
Total – Net (A-B)	9,977.43	-	9,977.43

As at March 31, 2018

Investments in India	Amortised Cost 1	Through profit and loss account 2	Total (3=1+2)
Mutual fund	-	-	-
Debt securities	-	-	-
Total – Gross (A)	-	-	-
Less: Allowance for impairment loss (B)	-	-	-
Total – Net (A-B)	-	-	-

As at April 1, 2017

Investments in India	Amortised Cost 1	Through profit and loss account 2	Total (3=1+2)
Mutual fund			-
<u>Unquoted</u>			
Axis Liquid Fund - (Direct Growth (CF - DG)	-	18,004.96	18,004.96
Kotak Mutual Fund (Liquid Direct Plan Growth)	-	10,002.85	10,002.85
Debt securities			
<u>Unquoted</u>			
NIL (Previous year 1000) 11.28% Reliance Big Entertainment Pvt Ltd 2019 (redeemable on 26 April 2019)	11,067.79		11,067.79
Total – Gross (A)	11,067.79	28,007.81	39,075.60
Less: Allowance for impairment loss (B)	(20.00)	-	(20.00)
Total – Net (A-B)	11,047.79	28,007.81	39,055.60



AXIS FINANCE LIMITED

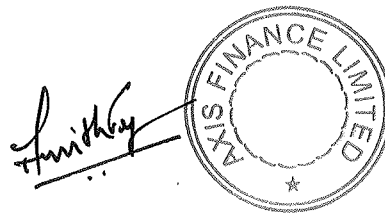
Notes forming part of the financial statements

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

8 Property, Plant and Equipment

Particulars	Computers	Office equipment	Furniture & fixtures	Vehicles	Land and Building	Total
Cost:						
As at 1 April 2017	42.95	1.57	0.64	-	4.32	49.48
Additions	25.52	0.08	-	42.51	-	68.11
Disposals	-	-	-	-	-	-
As at 31 March 2018	68.47	1.65	0.64	42.51	4.32	117.59
Additions	79.05	0.64	2.36	-	-	82.05
Disposals	(5.35)	-	-	-	-	(5.35)
As at 31 March 2019	142.17	2.29	3.00	42.51	4.32	194.29
Depreciation and impairment:						
As at 1 April 2017	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation charge for the year	21.26	0.80	0.10	7.78	0.08	30.02
As at 31 March 2018	21.26	0.80	0.10	7.78	0.08	30.02
Disposals	(5.07)	-	-	-	-	(5.07)
Depreciation charge for the year	42.09	0.44	0.14	10.63	0.08	53.38
As at 31 March 2019	58.28	1.24	0.24	18.41	0.16	78.33
Net book value:						
At 1st April, 2017	42.95	1.57	0.64	-	4.32	49.48
At 31st March, 2018	47.21	0.85	0.54	34.73	4.24	87.57
At 31st March, 2019	83.89	1.05	2.76	24.10	4.16	115.96

Note: Balances of Property, Plant and Equipment as on 1 April 2017 have been recognised net of accumulated depreciation considering deemed carrying cost as per Ind AS 101



9 Other Intangible assets - (Software)

Particulars	Software	Total
Cost:		
As at 1 April 2017	125.07	125.07
Additions	65.84	65.84
Disposals	-	-
As at 31 March 2018	190.91	190.91
Additions	196.47	196.47
Disposals	-	-
As at 31 March 2019	387.38	387.38
Accumulative amortisation and impairment:		
As at 1 April 2017	-	-
Disposals	-	-
Amortisation charge for the year	44.61	44.61
As at 31 March 2018	44.61	44.61
Disposals	-	-
Amortisation charge for the year	69.68	69.68
As at 31 March 2019	114.29	114.29
Net book value Softwares:		
As at 1 April 2017	125.07	125.07
As at 31 March 2018	146.30	146.30
As at 31 March 2019	273.09	273.09
Capital Work in Progress - Softwares		
As at 1 April 2017	88.33	88.33
As at 31 March 2018	109.85	109.85
As at 31 March 2019	1,051.86	1,051.86
Other Intangible assets		
As at 1 April 2017	213.40	213.40
As at 31 March 2018	256.15	256.15
As at 31 March 2019	1,324.95	1,324.95

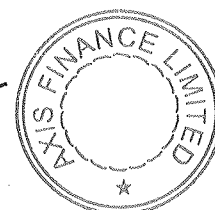
Note: Balances of Other Intangible assets - (software) as on 1 April 2017 have been recognised net of accumulated depreciation considering deemed carrying cost as per Ind AS 101

10 Other non-financial assets

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Prepaid expenses	92.07	66.77	35.42
Deposits	11.10	-	-
Balances with government authorities			
- Advance indirect taxes	11.90	4.44	24.71
Defined Benefit Asset			
- Gratuity	6.40	-	-
Total	121.47	71.21	60.13



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11 Debt Securities at Amortised Cost (In India)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Secured			
Non Convertible Debentures	1,73,531.29	1,24,574.32	64,533.68
Unsecured			
Commercial paper	2,02,000.00	2,01,000.00	2,90,500.00
Less: Unexpired Discount	(1,808.44)	(1,991.34)	(3,439.34)
Total	3,73,722.85	3,23,582.98	3,51,594.34

Security details for Secured non convertible debentures

Debentures are secured by: 1. First charge by way of mortgage on immovable property. 2. Pari passu charge by way of hypothecation of book debts and accounts receivable upto 1 time cover.

Unsecured commercial paper carry interest @ 6.43% to 9.25%. In respect of commercial paper, maximum amount outstanding during the year was ₹ in Lakhs 2,00,191.56 (31 March 2018: 1,99,008.66; 1 April 2017 Rs. 2,87,060.66).

Particulars of Secured non convertible debentures

Particulars	Face Value	Qty	Maturity date	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Zero% AFL, 10 April 2017	10	170	Apr 10, 2017	-	-	1,700.00
Zero% AFL, 2 May 2017	10	384	May 02, 2017	-	-	3,840.00
Zero% AFL, 20 November 2017	10	500	Nov 20, 2017	-	-	5,000.00
8.53% AFL, 27 November 2017	10	250	Nov 27, 2017	-	-	2,500.00
8.84% AFL, 08 March 2018	10	50	Mar 08, 2018	-	-	500.00
Zero% AFL, 27 March 2018	10	150	Mar 27, 2018	-	-	1,500.00
8.7731% AFL, 28 March 2018	10	500	Mar 28, 2018	-	-	5,000.00
Zero% AFL, 3 April 2018	10	350	Apr 03, 2018	-	3,500.00	3,500.00
Zero% AFL, 10 April 2018	10	200	Apr 10, 2018	-	2,000.00	2,000.00
Zero% AFL, 12 April 2018	10	150	Apr 12, 2018	-	1,500.00	1,500.00
8.7944% AFL, 24 April 2018	10	180	Apr 24, 2018	-	1,800.00	1,800.00
Zero% AFL, 05 October 2018	10	70	Oct 05, 2018	-	700.00	700.00
Zero% AFL, 23 October 2018	10	420	Oct 23, 2018	-	4,200.00	4,200.00
Zero% AFL, 29 October 2018	10	280	Oct 29, 2018	-	2,800.00	2,800.00
Zero% AFL, 15 January 2019	10	50	Jan 15, 2019	-	500.00	500.00
8.85% AFL 29 January 2019	10	100	Jan 29, 2019	-	1,000.00	1,000.00
8.85% AFL, 29 January 2019	10	100	Jan 29, 2019	-	1,000.00	1,000.00
Zero% AFL, 25 March 2019	10	1500	Mar 25, 2019	-	15,000.00	15,000.00
8.79% AFL, 9 April 2019	10	500	Apr 9, 2019	5,000.00	5,000.00	5,000.00
Zero% AFL, 25 April 2019	10	50	Apr 25, 2019	500.00	500.00	500.00
Zero% AFL, 06 May 2019	10	50	May 06, 2019	500.00	500.00	500.00
Zero% AFL, 28 June 2019	10	100	Jun 28, 2019	1,000.00	1,000.00	1,000.00
Zero% AFL, 19 July 2019	10	100	Jul 19, 2019	1,000.00	1,000.00	1,000.00
Zero% AFL, 27 August 2019	10	50	Aug 27, 2019	500.00	500.00	500.00
Zero% AFL, 24 September 2019	10	50	Sep 24, 2019	500.00	500.00	500.00
Zero% AFL, 26 December 2019	10	150	Dec 26, 2019	1,500.00	1,500.00	1,500.00
7.80% AFL, 27 March 2020	10	1000	Mar 27, 2020	10,000.00	10,000.00	-
Zero% AFL, 26 May 2020	10	125	May 26, 2020	1,250.00	1,250.00	-
8.85% AFL, 28 December 2020	10	1000	Dec 28, 2020	10,000.00	-	-
7.942% AFL, 7 April 2021	10	100	Apr 07, 2021	1,000.00	1,000.00	-
Zero% AFL, 7 April 2021	10	1400	Apr 07, 2021	14,000.00	14,000.00	-
Zero% AFL, 7 April 2021	10	200	Apr 07, 2021	2,008.62	2,008.62	-
Zero% AFL, 12 April 2021	10	410	Apr 12, 2021	4,100.00	4,100.00	-
Zero% AFL, 12 April 2021	10	250	Apr 12, 2021	2,508.79	2,508.79	-
Zero% AFL, 12 April 2021	10	500	Apr 12, 2021	5,054.27	5,054.27	-
Zero% AFL, 16 April 2021	10	500	Apr 16, 2021	5,000.00	5,000.00	-
Zero% AFL, 27 April 2021	10	750	Apr 27, 2021	7,500.00	7,500.00	-
Zero% AFL, 27 April 2021	10	250	Apr 27, 2021	2,505.50	2,505.50	-
Zero% AFL, 27 April 2021	10	800	Apr 27, 2021	8,086.70	8,086.70	-



AXIS FINANCE LIMITED
Notes forming part of the financial statements
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Face Value	Qty	Maturity date	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Zero% AFL, 10 May 2021	10	500	May 10, 2021	5,000.00	5,000.00	-
Zero% AFL, 10 May 2021	10	700	May 10, 2021	7,080.52	7,080.52	-
Zero% AFL, 27 May 2021	10	500	May 27, 2021	5,000.00	5,000.00	-
Zero% AFL, 27 May 2021	10	750	May 27, 2021	7,553.57	-	-
Zero% AFL, 14 June 2021	10	500	Jun 14, 2021	5,008.96	-	-
Zero% AFL, 14 June 2021	10	1250	Jun 14, 2021	12,812.48	-	-
Zero% AFL, 06 July 2021	10	715	July 06, 2021	7,150.00	-	-
Zero% AFL, 13 July 2021	10	260	July 13, 2021	2,600.00	-	-
Zero% AFL, 13 July 2021	10	50	July 13, 2021	508.23	-	-
Zero% AFL, 31 August 2021	10	1400	Aug 31, 2021	14,000.00	-	-
Zero% AFL, 19 Apr 2022	10	250	Apr 19, 2022	2,500.00	-	-
Zero% AFL, 19 April 2022	10	50	Apr 19, 2022	5,131.99	-	-
Zero% Afl 19th April 2022	10	590	April 19,2022	6,299.64	-	-
Zero% AFL, 25 May 2022	10	260	May 25, 2022	2,600.00	-	-
8.70% Afl 02nd June 2022	10	680	June 02,2022	6,800.00	-	-
				1,73,559.26	1,24,594.40	64,540.00

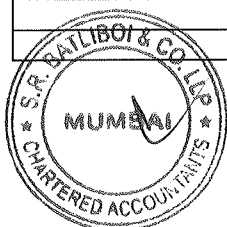
Note: Listing of NCD balances in above schedule are as per contractual terms where as NCD balances shown under Balance sheet & Notes are at Amortised cost

Particulars of Commercial Paper

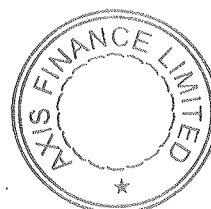
Maturity date	Face Value	Qty	As at March 31, 2019
2-Apr-19	5	4,000	20,000.00
2-Apr-19	5	1,000	5,000.00
9-Apr-19	5	5,000	25,000.00
24-Apr-19	5	5,000	25,000.00
10-May-19	5	6,000	30,000.00
10-May-19	5	500	2,500.00
30-May-19	5	2,000	10,000.00
30-May-19	5	3,000	15,000.00
4-Jun-19	5	3,400	17,000.00
10-Jun-19	5	6,000	30,000.00
13-Jun-19	5	4,000	20,000.00
25-Oct-19	5	500	2,500.00
			2,02,000.00

Particulars of Commercial Paper

Maturity date	Face Value	Qty	As at March 31, 2018
23-Apr-18	5	2,000	10,000.00
23-Apr-18	5	500	2,500.00
23-Apr-18	5	200	1,000.00
2-May-18	5	4,000	20,000.00
2-May-18	5	1,500	7,500.00
2-May-18	5	500	2,500.00
11-May-18	5	2,000	10,000.00
14-May-18	5	4,000	20,000.00
15-May-18	5	4,000	20,000.00
21-May-18	5	4,000	20,000.00
21-May-18	5	2,000	10,000.00
21-May-18	5	2,000	10,000.00
21-May-18	5	1,000	5,000.00
21-May-18	5	1,000	5,000.00
25-May-18	5	4,000	20,000.00
29-May-18	5	4,000	20,000.00
30-May-18	5	1,000	5,000.00
13-Jun-18	5	1,000	5,000.00
13-Jun-18	5	350	1,750.00
13-Jun-18	5	150	750.00
14-Sep-18	5	1,000	5,000.00
			2,01,000.00



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Particulars of Commercial Paper

Maturity date	Face Value	Qty	As at April 1, 2017
13-Apr-17	5	5,500	27,500.00
20-Apr-17	5	500	2,500.00
20-Apr-17	5	500	2,500.00
20-Apr-17	5	500	2,500.00
25-Apr-17	5	4,000	20,000.00
25-Apr-17	5	2,000	10,000.00
25-Apr-17	5	500	2,500.00
28-Apr-17	5	3,000	15,000.00
17-May-17	5	4,000	20,000.00
17-May-17	5	3,000	15,000.00
22-May-17	5	500	2,500.00
26-May-17	5	600	3,000.00
31-May-17	5	6,000	30,000.00
31-May-17	5	3,000	15,000.00
31-May-17	5	2,000	10,000.00
8-Jun-17	5	4,000	20,000.00
8-Jun-17	5	4,000	20,000.00
8-Jun-17	5	1,000	5,000.00
22-Jun-17	5	5,000	25,000.00
20-Jul-17	5	1,500	7,500.00
23-Aug-17	5	3,000	15,000.00
27-Sep-17	5	2,000	10,000.00
29-Sep-17	5	2,000	10,000.00
			2,90,500.00

12 Borrowings (Other than debt securities) at Amortised Cost (In India)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Secured			
Overdraft from banks repayable on demand	1,43,536.18	85,115.58	55,087.39
Indian rupee term loan from bank : Secured	62,173.87	-	-
Unsecured			
Overdraft from holding company 'Axis Bank Ltd' repayable on demand	41,541.85	84,303.24	-
Total	2,47,251.90	1,69,418.82	55,087.39

Secured

1. Overdraft amounting to ₹ in Lakhs 1,43,536.18 (31 March 2018: 85,115.58; 1 April 2017: 55,087.39) as referred above are secured by pari passu first charge on all present and future book debts, receivables, loan assets of the Company. These carry interest @ 8.65% to 8.95%

2. Term Loan amounting to ₹ in Lakhs 62,173.87, (31 March 2018: NIL, 1 April 2017: NIL) as referred above are secured by pari passu first charge on all present and future book debts, receivables, loan assets of the Company. These carry interest @ 8.65% to 8.95%.

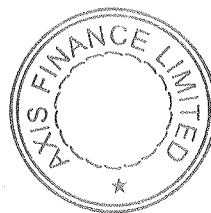
3. Term Loan from Bank amounting to ₹ in Lakhs 30,226.76 will be repaid by 24 June 2019, ₹ in Lakhs 12,506.26 will be repaid by 29 December 2021 and ₹ in Lakhs 19,440.85 will be repaid by 20 December 2020

Unsecured

1. Unsecured short term overdraft carry interest @8.65% from holding company 'Axis Bank Ltd' amount to ₹ in Lakhs 41,541.85 (31 March 2018: 84,303.24; 1 April 2017: NIL)



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13 Subordinated Liabilities at Amortised Cost (In India)

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Unsecured			
Subordinated debt (Non-convertible debentures)	49,848.72	49,835.38	19,906.98
Total	49,848.72	49,835.38	19,906.98

Particulars of Unsecured non convertible debentures

Particulars	Face Value	Qty	Maturity date	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
8.80% AFL, 05th Aug 2026	10	2000	Aug 05, 2026	20,000.00	20,000.00	20,000.00
8.50% AFL, 11th May 2027	10	2000	May 11, 2027	20,000.00	20,000.00	-
8.08% AFL, 14th Sep 2027	10	1000	Sep 14, 2027	10,000.00	10,000.00	-
Total				50,000.00	50,000.00	20,000.00

Note: Listing of NCD balances in above schedule are as per contractual terms where as NCD balances shown under Balance sheet are at Amortised cost

14 Other financial liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Interest accrued but not due	16,759.93	13,922.83	9,802.89
Advances from customers	773.62	204.11	668.51
Creditors for expense			
-Due to holding Company 'Axis Bank Limited'	5.08	0.73	4.44
-Due to others	-	-	3.26
Total	17,538.63	14,127.67	10,479.10

15 Provisions

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Provision for expenses	130.93	134.17	96.15
Provision for employee benefits			
-Provision for compensated absences	70.00	41.44	15.49
-Provision for gratuity	-	12.51	7.21
-Employee benefit payable	625.00	450.00	400.00
Total	825.93	638.12	518.85

16 Other non-financial liabilities

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Processing fees received for undrawn loans	1,048.61	1,156.08	311.66
Undisputed statutory dues	341.62	309.53	13.83
Total	1,390.23	1,465.61	325.49



AXIS FINANCE LIMITED
Notes forming part of the financial statements

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

17 Equity Share Capital

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Authorised Capital			
1,00,00,00,000 (31 March 2018: 1,00,00,00,000, 1 April 2017: 1,00,00,00,000) equity shares of ₹10/- each	1,00,000.00	1,00,000.00	1,00,000.00
	1,00,000.00	1,00,000.00	1,00,000.00
Issued, subscribed and fully paid-up:			
48,07,50,000 (31 March 2018: 48,07,50,000, 1 April 2017: 41,82,50,000) equity shares of ₹10/- each	48,075.00	48,075.00	41,825.00
	48,075.00	48,075.00	41,825.00

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period (Nos in Lakhs)

Particulars	As at March 31, 2019 Nos	As at March 31, 2018 Nos	As at April 1, 2017 Nos
Balance at the beginning of the year	4,807.50	4,182.50	3,682.50
Issued during the year	-	625.00	500.00
Reductions during the year	-	-	-
Balance at the close of the year	4,807.50	4,807.50	4,182.50

(b) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

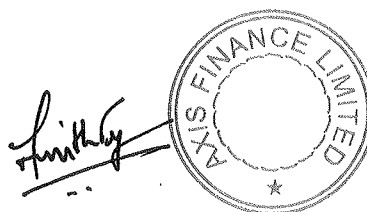
(c) Shares held by holding/ultimate holding Company and/or their subsidiaries

Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries are as below:

Name of shareholder	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
<u>Axis Bank Limited, the holding Company and its Nominees</u> 48,07,50,000 (31 March 2018: 48,07,50,000, 1 April 2017: 41,82,50,000) equity shares of ₹ 10/- each	48,075.00	48,075.00	41,825.00

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019 % of Holding	As at March 31, 2018 % of Holding	As at April 1, 2017 % of Holding
<u>Equity shares of ₹ 10 each fully paid</u> Axis Bank Limited, the holding Company and its nominees	100%	100%	100%



18 Other Equity

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at April 1, 2017 ₹
Securities Premium			
Balance at the beginning of the period	28,217.50	21,980.00	16,990.00
Add:- Addition during the year	-	6,250.00	5,000.00
Less:- Utilization during the year against share issue expense	-	(12.50)	(10.00)
Balance at the end of the year	28,217.50	28,217.50	21,980.00
Statutory reserve u/s 45-IC of RBI Act			
Balance at the beginning of the period	12,755.00	8,567.00	5,261.00
Add:- Addition during the year	4,211.00	4,188.00	3,306.00
Balance at the end of the period	16,966.00	12,755.00	8,567.00
Deemed Capital contribution	316.75	182.10	91.63
Retained Earnings			
Balance at the beginning of the period	11,621.51	12,303.87	13,472.72
Total Comprehensive income for the year	21,053.52	18,102.40	13,564.24
Less:-	-	(12,127.82)	(9,494.28)
- 1st Interim dividend : NIL (31 March 2018 : ₹ 2.21 per share; 31 March 2017 : ₹ 2.27 per share)			
- 2nd Interim dividend : NIL (31 March 2018 : ₹ 0.60 per share, 31 March 2017 : NIL)			
Less:-Dividend distribution tax on interim dividend	-	(2,468.94)	(1,932.81)
Less:-Transfer to statutory reserve	(4,211.00)	(4,188.00)	(3,306.00)
Balance at the end of the period	28,464.03	11,621.51	12,303.87
Total	73,964.27	52,776.11	42,942.50

Security premium

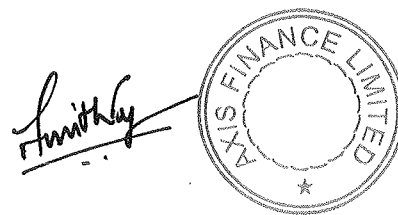
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory reserve u/s 45-IC of RBI Act

Statutory reserve is created as per section 45-IC of RBI Act

Proposed Dividend

The Company has proposed Total Dividend Payout of ₹ 14,489.24 Lakhs (₹ 14,489.24 Lakhs includes Dividend Distribution Tax of ₹ 2,470.49 Lakhs). Dividend of ₹ 2.50 per share has been proposed.



AXIS FINANCE LIMITED

Notes forming part of the financial statements

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

19 Interest income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	On Financial Assets measured at Amortised Cost	
Interest on Loans (at EIR)	88,806.35	65,772.22
Interest income from investments	12.38	698.43
Total	88,818.73	66,470.65

20 Others

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cheque / NACH Charges	0.74	0.16
Prepayment Charges	0.31	0.19
Total	1.05	0.35

21 Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Reversal of Provisions	88.55	-
Notice Pay Recovery	0.10	-
Total	88.65	-

22 Finance Costs

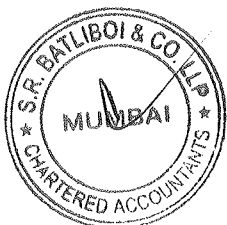
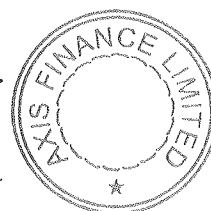
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	On Financial liabilities measured at Amortised Cost	
Interest on borrowings	9,108.22	2,774.42
Interest on debt securities	36,298.37	29,562.03
Interest on subordinated liabilities	4,265.21	3,690.74
Other Finance expense	291.93	376.74
Total	49,963.73	36,403.93

23 Impairment on financial instruments

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	On Financial instruments measured at Amortised Cost	
Loans	2,156.63	1,635.37
Investments	1.95	(20.00)
Trade Receivables	(0.11)	4.16
Total	2,158.47	1,619.53

24 Employee benefit expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	2,462.51	1,408.24
Employee Stock Option (Refer Note 3.17)	134.65	90.47
Contribution to provident and other funds	79.90	42.28
Contribution & Gratuity expense	(20.79)	17.42
Staff welfare expenses	29.00	20.71
Total	2,685.27	1,579.12

AXIS FINANCE LIMITED**Notes forming part of the financial statements**

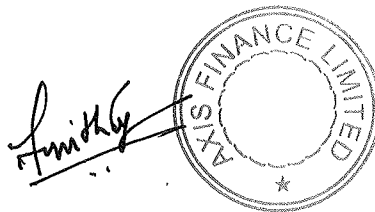
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

25 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Property, plant and equipment	53.37	30.02
Other Intangible assets - (Software)	69.68	44.61
Total	123.05	74.63

26 Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent, Rates and Taxes	170.19	106.49
Electricity expenses	13.32	10.32
Repairs and maintenance - others	38.39	40.64
Printing and stationery	12.65	8.31
Travelling and conveyance	176.96	116.64
Professional fees	591.26	225.20
CSR expenditure	495.82	360.40
Director sitting fees	43.00	32.00
Auditor Remuneration	36.60	24.00
Telephone and internet expenses	28.29	18.34
Business promotion	12.81	28.16
Rates & taxes	9.12	5.94
Service charges	41.23	26.86
Office expenses	39.88	21.12
Service Tax & GST Expense out (50% of input credit)	225.69	61.09
Subscription Exps	35.59	15.06
Miscellaneous expenses	80.44	69.00
Total	2,051.24	1,169.57



27 Credit Quality of Financial Assets & Expected Credit Loss

A) Loans and Advances

(i) Loans and advances (at amortised cost)

Particulars	31 March 2019	31 March 2018	01 April 2017
Total - Gross	7,98,998.59	6,57,096.34	4,25,915.31
Less: Impairment loss allowance	6,418.69	4,262.07	2,626.69
Total - Net	7,92,579.89	6,52,834.27	4,23,288.62
a) Secured by tangible assets	7,55,300.03	6,22,531.26	4,04,839.26
b) Unsecured	43,698.56	34,565.08	21,076.05
Total - Gross	7,98,998.59	6,57,096.34	4,25,915.31
Less: Impairment loss allowance	6,418.69	4,262.07	2,626.69
Total - Net	7,92,579.89	6,52,834.27	4,23,288.62

(ii) Credit quality of assets

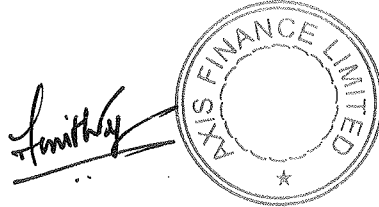
Particulars	31 March 2019			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	7,82,456.80	-	-	7,82,456.80
Past due but not impaired	-	7,073.81	-	7,073.81
Non Performing				
Individually Impaired	-	-	3,049.29	3,049.29
Total	7,82,456.80	7,073.81	3,049.29	7,92,579.89

Particulars	31 March 2018			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	6,48,611.60	-	-	6,48,611.60
Past due but not impaired	-	4,222.67	-	4,222.67
Non Performing				
Individually Impaired	-	-	-	-
Total	6,48,611.60	4,222.67	-	6,52,834.27

Particulars	01 April 2017			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	4,23,288.62	-	-	4,23,288.62
Past due but not impaired	-	-	-	-
Non Performing				
Individually Impaired	-	-	-	-
Total	4,23,288.62	-	-	4,23,288.62

(iii) Changes in Gross carrying amount

Particulars	FY 2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	6,48,611.60	4,222.67	-	6,52,834.27
New assets originated or purchased	4,79,441.27	-	-	4,79,441.27
Assets derecognised or repaid (excluding write offs)	(3,35,377.16)	(3,916.69)	(401.80)	(3,39,695.65)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(6,767.83)	6,767.83	-	-
Transfers to Stage 3	(3,451.09)	-	3,451.09	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	7,82,456.80	7,073.81	3,049.29	7,92,579.89



27 Credit Quality of Financial Assets & Expected Credit Loss

A) Loans and Advances

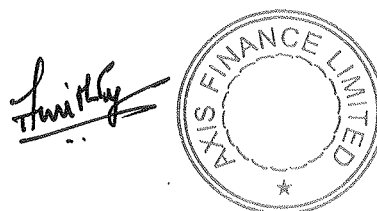
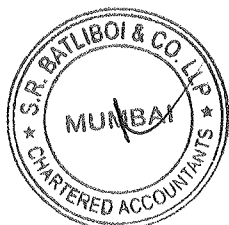
(iii) Changes in Gross carrying amount

Particulars	FY 2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,23,288.62	-	-	4,23,288.62
New assets originated or purchased	4,32,454.77	-	-	4,32,454.77
Assets derecognised or repaid (excluding write offs)	(2,00,058.93)	(2,850.20)	-	(2,02,909.12)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(7,072.87)	7,072.87	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	6,48,611.60	4,222.67	-	6,52,834.27

(iv) Reconciliation of ECL balance

Particulars	FY 2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4,237.93	24.14	-	4,262.07
New assets originated or purchased	2,901.32	-	-	2,901.32
Assets derecognised or repaid (excluding write offs)	(2,204.43)	(17.63)	-	(2,222.07)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(129.54)	129.54	-	-
Transfers to Stage 3	(66.45)	-	66.45	-
Impact on year end ECL of exposures transferred between stages during the year	-	19.17	1,458.20	1,477.37
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	4,738.83	155.22	1,524.64	6,418.69

Particulars	FY 2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2,626.69	-	-	2,626.69
New assets originated or purchased	2,938.36	-	-	2,938.36
Assets derecognised or repaid (excluding write offs)	(1,291.72)	(11.26)	-	(1,302.98)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(35.40)	35.40	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	4,237.93	24.14	-	4,262.07



27 Credit Quality of Financial Assets & Expected Credit Loss

A) Loans and Advances

(v) Undrawn commitment - Credit Quality of Assets

Particulars	31 March 2019			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	1,03,210.77	-	-	1,03,210.77
Past due but not impaired	-	55.73	-	55.73
Non Performing				
Individually Impaired	-	-	-	-
Total	1,03,210.77	55.73	-	1,03,266.50

Particulars	31 March 2018			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	47,257.48	-	-	47,257.48
Past due but not impaired	-	230.00	-	230.00
Non Performing				
Individually Impaired	-	-	-	-
Total	47,257.48	230.00	-	47,487.48

Particulars	01 April 2017			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	30,591.16	-	-	30,591.16
Past due but not impaired	-	-	-	-
Non Performing				
Individually Impaired	-	-	-	-
Total	30,591.16	-	-	30,591.16

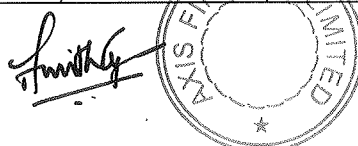
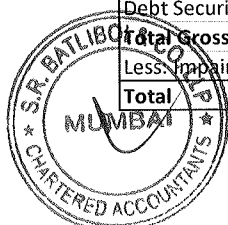
(vi) Undrawn commitment - Gross carrying amount

Particulars	FY 2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	47,257.48	230.00	-	47,487.48
New assets originated or purchased	90,171.43	-	-	90,171.43
Assets derecognised or repaid (excluding write offs)	(34,162.41)	(230.00)	-	(34,392.41)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(55.73)	55.73	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	1,03,210.77	55.73	-	1,03,266.50

Particulars	FY 2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	30,591.16	-	-	30,591.16
New assets originated or purchased	39,533.68	230.00	-	39,763.68
Assets derecognised or repaid (excluding write offs)	(22,867.36)	-	-	(22,867.36)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	47,257.48	230.00	-	47,487.48

B) (i) Investments

Particulars	Amortised Cost	Fair Value Through Profit & Loss	Total
As at March 31, 2019			
Debt Securities	9,979.38	-	9,979.38
Total Gross	9,979.38	-	9,979.38
Less: Impairment loss allowance	1.95	-	1.95
Total	9,977.43	-	9,977.43



27 Credit Quality of Financial Assets & Expected Credit Loss

B) (i)				
Investments				
As at March 31, 2018				
Debt Securities	-	-	-	-
Total Gross	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
Total	-	-	-	-
As at April 01, 2017				
Debt Securities	11,067.79	28,007.81		39,075.60
Total Gross	11,067.79	28,007.81		39,075.60
Less: Impairment loss allowance	20.00	-		20.00
Total	11,047.79	28,007.81		39,055.60

Debt instruments measured at amortised cost

(ii) Credit quality of assets

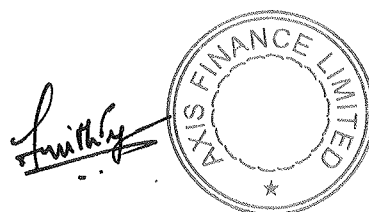
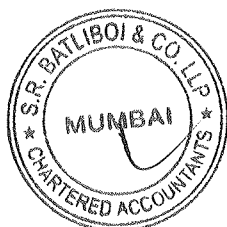
Particulars	FY 2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	9,979.38	-	-	9,979.38
Past due but not impaired	-	-	-	-
Non Performing				
Individually Impaired	-	-	-	-
Total	9,979.38	-	-	9,979.38

Particulars	FY 2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	-	-	-	-
Past due but not impaired	-	-	-	-
Non Performing				
Individually Impaired	-	-	-	-
Total	-	-	-	-

Particulars	FY 2016 - 17			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	11,067.79	-	-	11,067.79
Past due but not impaired	-	-	-	-
Non Performing				
Individually Impaired	-	-	-	-
Total	11,067.79	-	-	11,067.79

(iii) Changes in Gross carrying amount

Particulars	FY 2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-
New assets originated or purchased	9,979.38	-	-	9,979.38
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	9,979.38	-	-	9,979.38



27 Credit Quality of Financial Assets & Expected Credit Loss

B (iii) Changes in Gross carrying amount

Particulars	FY 2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11,067.79	-	-	11,067.79
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(11,067.79)	-	-	(11,067.79)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	-	-	-	-

(iv) Reconciliation of ECL balance

Particulars	FY 2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	-	-
New assets originated or purchased	1.95	-	-	1.95
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	1.95	-	-	1.95

Particulars	FY 2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	20.00	-	-	20.00
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(20.00)	-	-	(20.00)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	-	-	-	-



27 Credit Quality of Financial Assets & Expected Credit Loss

C) Trade Receivables

(i) Trade Receivables

Particulars	31 March 2019	31 March 2018	01 April 2017
Unsecured considered good	509.61	897.45	422.92
Less : Provision for impairment	4.05	4.16	-
Total - Net	505.56	893.29	422.92

(ii) Credit quality of assets

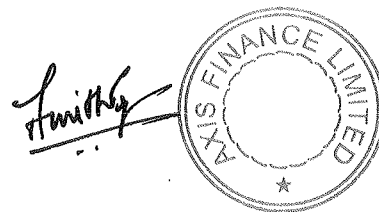
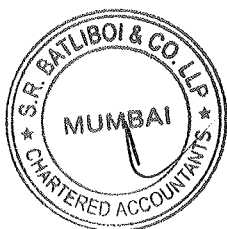
	31 March 2019				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Performing					
Standard	283.27	-	-	226.34	509.61
Past due but not impaired	-	-	-	-	-
Non Performing					
Individually Impaired	-	-	-	-	-
Total	283.27	-	-	226.34	509.61

	31 March 2018				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Performing					
Standard	237.60	-	-	659.85	897.45
Past due but not impaired	-	-	-	-	-
Non Performing					
Individually Impaired	-	-	-	-	-
Total	237.60	-	-	659.85	897.45

	01 April 2017				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Performing					
Standard	2.70	-	-	420.22	422.92
Past due but not impaired	-	-	-	-	-
Non Performing					
Individually Impaired	-	-	-	-	-
Total	2.70	-	-	420.22	422.92

(iii) Changes in Gross carrying amount

	FY 2018 - 19				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Gross carrying amount opening balance	237.60	-	-	659.85	897.45
New assets originated or purchased	283.27	-	-	-	283.27
Assets derecognised or repaid (excluding write offs)	(237.60)	-	-	(659.85)	(897.45)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Amounts written off	-	-	-	-	-
New asset as per Simplified approach	-	-	-	226.34	226.34
Gross carrying amount closing balance	283.27	-	-	226.34	509.61



27 Credit Quality of Financial Assets & Expected Credit Loss

C) Trade Receivables

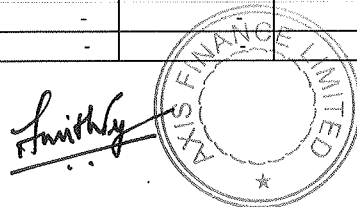
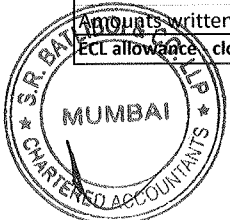
(iii) Changes in Gross carrying amount

	FY 2017 - 18				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Gross carrying amount opening balance	2.70	-	-	420.22	422.92
New assets originated or purchased	237.60	-	-	-	237.60
Assets derecognised or repaid (excluding write offs)	(2.70)	-	-	(420.22)	(422.92)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Amounts written off	-	-	-	-	-
New asset as per Simplified approach	-	-	-	659.85	659.85
Gross carrying amount closing balance	237.60	-	-	659.85	897.45

(iv) Reconciliation of ECL balance

	FY 2018 - 19				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
ECL allowance - opening balance	4.16	-	-	-	4.16
New assets originated or purchased	4.05	-	-	-	4.05
Assets derecognised or repaid (excluding write offs)	(4.16)	-	-	-	(4.16)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-
Unwind of discount	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-
Recoveries	-	-	-	-	-
Amounts written off	-	-	-	-	-
ECL allowance - closing balance	4.05	-	-	-	4.05

	FY 2017 - 18				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
ECL allowance - opening balance	-	-	-	-	-
New assets originated or purchased	4.16	-	-	-	4.16
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-
Unwind of discount	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-
Recoveries	-	-	-	-	-
Amounts written off	-	-	-	-	-
ECL allowance - closing balance	4.16	-	-	-	4.16



AXIS FINANCE LIMITED

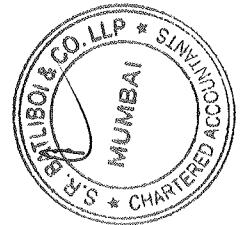
Notes forming part of financial statements for the period ended 31 March, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

27 D) Collateral and other credit enhancements

As at March 31, 2019									
Type of Collateral and Credit Enhancement	Maximum exposure to credit Risk	Shares (Listed/ Unlisted)	Land and Building includes residential and commercial properties)	Other Working Capital items (includes fixed and current assets, FMPs)	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL	
Loans	3,049.29	-	12,410.00	-	(9,360.71)	3,049.29	-	1,524.64	
Total	3,049.29	-	12,410.00	-	(9,360.71)	3,049.29	-	1,524.64	

As at March 31, 2018									
Type of Collateral and Credit Enhancement	Maximum exposure to credit Risk	Shares (Listed/ Unlisted)	Land and Building includes residential and commercial properties)	Other Working Capital items (includes fixed and current assets, FMPs)	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL	
Loans	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	

As at April 01, 2017									
Type of Collateral and Credit Enhancement	Maximum exposure to credit Risk	Shares (Listed/ Unlisted)	Land and Building includes residential and commercial properties)	Other Working Capital items (includes fixed and current assets, FMPs)	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL	
Loans	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	



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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

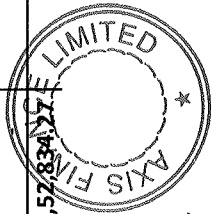
28. Financial instruments – Fair values

Accounting classification and fair values

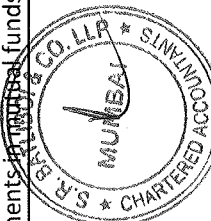
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at March 31, 2019					
	Carrying amount			Fair Value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
₹	₹	₹	₹	₹	₹	₹
Financial assets						
Loans and advances	-	7,92,579.89	7,92,579.89	-	-	-
Investments	-	-	-	-	-	-
Debt Securities	-	9,977.43	9,977.43	-	-	-
Investments in mutual funds (liquid plan)	-	-	-	-	-	-
Total	-	8,02,557.32	8,02,557.32	-	-	-
Financial liabilities						
Debt securities	-	3,73,722.85	3,73,722.85	-	-	-
Borrowings (Other than debt securities)	-	2,47,251.90	2,47,251.90	-	-	-
Subordinated Liabilities	-	49,848.72	49,848.72	-	-	-
Total	-	6,70,823.47	6,70,823.47	-	-	-

Particulars	As at March 31, 2018					
	Carrying amount			Fair Value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
₹	₹	₹	₹	₹	₹	₹
Financial assets						
Loans and advances	-	6,52,834.27	6,52,834.27	-	-	-
Investments	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-
Investments in mutual funds (liquid plan)	-	-	-	-	-	-
Total	-	6,52,834.27	6,52,834.27	-	-	-



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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

28. Financial instruments – Fair values

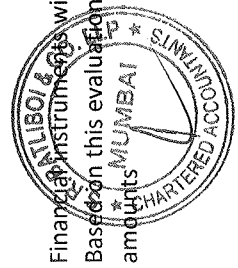
Particulars	As at March 31, 2018						
	Carrying amount		Fair Value				Total
	Fair value through profit and loss	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total	
₹	₹	₹	₹	₹	₹	₹	
Financial liabilities							
Debt securities	-	3,23,582.98	-	-	-	-	-
Borrowings (Other than debt securities)	-	1,69,418.82	-	-	-	-	-
Subordinated Liabilities	-	49,835.38	-	-	-	-	-
Total	-	5,42,837.18	-	-	-	-	-

Particulars	As at April 1, 2017						
	Carrying amount		Fair Value				Total
	Fair value through profit and loss	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total	
₹	₹	₹	₹	₹	₹	₹	
Financial assets							
Loans and advances	-	4,23,288.62	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Debt Securities	-	11,047.79	-	-	-	-	-
Investments in mutual funds (liquid plan)	28,007.81	-	28,007.81	-	-	-	28,007.81
Total	28,007.81	4,34,336.41	28,007.81	4,62,344.22	28,007.81	28,007.81	28,007.81
Financial liabilities							
Debt securities	-	3,51,594.34	-	-	-	-	-
Borrowings (Other than debt securities)	-	55,087.39	-	-	-	-	-
Subordinated Liabilities	-	19,906.98	-	-	-	-	-
Total	-	4,26,588.71	-	-	-	-	-

Note: There are no other categories of financial instruments other than those mentioned above

The Fair value of cash and cash equivalents, other bank balances and trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.



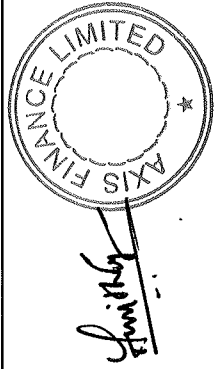
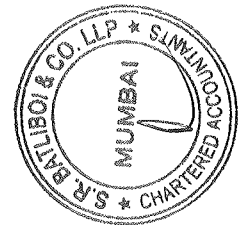
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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

29. Maturity analysis of assets and liabilities

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 ₹	After 12 Months ₹	Total ₹	Within 12 ₹	After 12 Months ₹	Total ₹	Within 12 ₹	After 12 Months ₹	Total ₹
ASSETS									
Financial Assets									
Cash and cash equivalents	90.62	-	90.62	213.21	-	213.21	56,509.17	-	56,509.17
Trade Receivables	505.56	-	505.56	893.29	-	893.29	422.92	-	422.92
Loans	4,68,209.18	3,24,370.71	7,92,579.89	4,42,413.55	2,10,420.72	6,52,834.27	2,16,234.79	2,07,053.83	4,23,288.62
Investments	-	9,977.43	9,977.43	-	-	-	28,007.81	11,047.79	39,055.60
Sub-total-Financial assets	4,68,805.36	3,34,348.14	8,03,153.50	4,43,520.05	2,10,420.72	6,53,940.77	3,01,174.69	2,18,101.62	5,19,276.31
Non-Financial Assets									
Current Tax Assets (net)	-	2,883.32	2,883.32	-	1,689.84	1,689.84	-	976.44	976.44
Deferred Tax Assets (net)	-	5,018.33	5,018.33	-	3,874.15	3,874.15	-	2,103.89	2,103.89
Property, plant and equipment	-	115.96	115.96	-	87.57	87.57	-	49.48	49.48
Other Intangible Assets	-	1,324.95	1,324.95	-	256.15	256.15	-	213.40	213.40
Other non-financial assets	-	121.47	121.47	-	71.21	71.21	-	60.13	60.13
Sub-total-Non-financial assets	-	9,464.03	9,464.03	-	5,978.92	5,978.92	-	3,403.34	3,403.34
Total - Assets	4,68,805.36	3,43,812.17	8,12,617.53	4,43,520.05	2,16,399.64	6,59,919.69	3,01,174.69	2,21,504.96	5,22,679.65
LIABILITIES AND EQUITY									
LIABILITIES									
Financial Liabilities									
Debt securities	2,20,690.60	1,53,032.25	3,73,722.85	2,33,007.18	90,575.80	3,23,582.98	3,07,096.15	44,498.19	3,51,594.34
Borrowings (Other than debt securities)	2,26,830.87	20,421.03	2,47,251.90	1,69,418.82	-	1,69,418.82	55,087.39	-	55,087.39
Subordinated Liabilities	-	49,848.72	49,848.72	-	49,835.38	49,835.38	-	19,906.98	19,906.98
Other financial liabilities	4,495.55	13,043.08	17,538.63	8,710.41	5,417.26	14,127.67	5,347.01	5,132.09	10,479.10
Sub-total-Financial liabilities	4,52,017.02	2,36,345.08	6,88,362.10	4,11,136.41	1,45,828.44	5,56,964.85	3,67,530.55	69,537.26	4,37,067.81
Non-Financial liabilities									
Provisions	825.93	-	825.93	605.07	33.05	638.12	515.86	2.99	518.85
Other non-financial liabilities	341.62	1,048.61	1,390.23	309.53	1,156.08	1,465.61	325.49	-	325.49
Sub-total-Non-financial liabilities	1,167.55	1,048.61	2,216.16	914.60	1,189.13	2,103.73	841.35	2.99	844.34
Total Liabilities	4,53,184.57	2,37,393.69	6,90,578.26	4,12,051.01	1,47,017.57	5,59,068.58	3,68,371.90	69,540.25	4,37,912.15



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019

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

30 Estimated amount of contracts remaining to be executed on capital account – ₹ 702.07 (Previous Year ₹ 147.01).**31** There is no contingent liability as at 31 March, 2019 (previous year ₹ Nil).**32** Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 - 'Earnings per share'.

Particulars		2018 – 2019 ₹	2017 – 2018 ₹
Basic			
Profit after tax as per Statement of Profit and Loss	A	21,054.74	18,105.54
Weighted Average Number of Shares	B	48,07,50,000	42,37,29,452
Basic Earnings per share	A/B	4.38	4.27
Diluted			
Adjusted Profit after tax	C	21,054.74	18,105.54
Weighted Average Number of Shares	D	48,07,50,000	42,37,29,452
Diluted Earnings per share	C/D	4.38	4.27
Nominal Value per share		10	10

33 Related Parties disclosure:

Disclosure in respect of Related Parties pursuant to Ind AS 24 – Related Party Disclosures:

List of Related Parties:-

Parties where control exists: Holding Company

Axis Bank Limited ('ABL')

Fellow subsidiaries companies

Axis Private Equity Limited ('APEL')

Axis Securities Limited ('ASL')

Axis Mutual Fund Trustee Limited ('AMFTL')

Axis Trustee Services Limited ('ATSL')

Axis Asset Management Company Limited ('AAMCL')

Axis Bank U.K. Limited ('ABUKL')

Axis Capital Limited ('ACL')

A. Treds Limited ('ATL')

Freecharge Payment Technologies Private Limited ('FPTPL') (w.e.f. 6 October 2017)

Accelyst Solutions Private Limited ('ASPL') (w.e.f. 6 October 2017)

Subsidiaries of Fellow subsidiaries companies

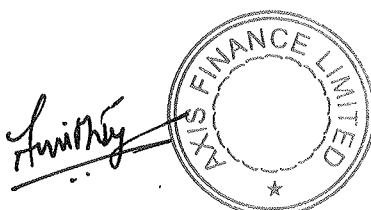
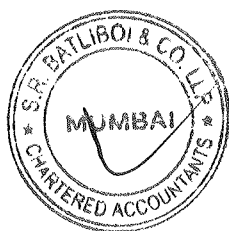
Axis Capital USA LLC (subsidiary of Axis Capital Ltd.) (w.e.f. 2 August 2017)

Key management person

Bipin Kumar Saraf, Managing Director and Chief Executive Officer

Amith Iyer, Chief Financial Officer

Rajneesh Kumar, Company Secretary



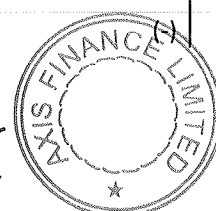
AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019

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

33 Related Parties disclosure:
Transactions with related parties

Nature of transactions	Holding Company	Fellow Subsidiaries including subsidiaries of fellow subsidiaries	Key Management Personnel	Total
	₹	₹	₹	₹
Income				
Processing fees (ABL)	132.72	-	-	132.72
	(1,337.65)	(-)	(-)	(1,337.65)
Capital Receipts and Payments				
Issue of Equity Share Capital (Including Share premium) (ABL)	-	-	-	-
	(12,500.00)	(-)	(-)	(12,500.00)
Non-Convertible Debentures (ABL)	5,000.00	-	-	5,000.00
	(10,000.00)	(-)	(-)	(10,000.00)
Sale of Desktops (ACL)	-	0.28	-	0.28
	(-)	(-)	(-)	(-)
Expenses				
Dividend Paid (ABL)	-	-	-	-
	(12,127.83)	(-)	(-)	(12,127.83)
Rent paid (ABL)	170.19	-	-	170.19
	(103.07)	(-)	(-)	(103.07)
Rent paid (ASL)	-	-	-	-
	(-)	(3.42)	(-)	(3.42)
Bank charges (ABL)	0.33	-	-	0.33
	(0.21)	(-)	(-)	(0.21)
NACH charges (ABL)	0.12	-	-	0.12
	(0.08)	(-)	(-)	(0.08)
Reimbursement of staff cost (APEL)	-	26.14	-	26.14
	(-)	(22.23)	(-)	(22.23)
Interest paid on borrowings (ABL)	1,093.70	-	-	1,093.70
	(1,530.65)	(-)	(-)	(1,530.65)
Internet charges paid (ASL)	-	-	-	-
	(-)	(0.61)	(-)	(0.61)
Demat Charges (ASL)	-	4.58	-	4.58
	(-)	(1.05)	(-)	(1.05)
Demat Charges (ABL)	5.93	-	-	5.93
	(1.08)	(-)	(-)	(1.08)
Professional fees (ATSL)	-	3.88	-	3.88
	(-)	(7.50)	(-)	(7.50)
Salary, Rent and contribution to PF	-	-	417.88	417.88
	(-)	(-)	(419.62)	(419.62)
Staff Loan given	-	-	76.02	76.02
	(-)	(-)	(-)	(-)
Service charges (ACL)	-	-	-	-
	(-)	(11.35)	(-)	(11.35)
Brokerage paid (ASL)	-	42.74	-	42.74
	(-)	(5.14)	(-)	(5.14)
IPA commission charges paid (ABL)	7.70	-	-	7.70
	(8.50)	(-)	(-)	(8.50)
Partnership fees reimbursement (ABL)	0.24	-	-	0.24
	(0.24)	(-)	(-)	(0.24)

AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019

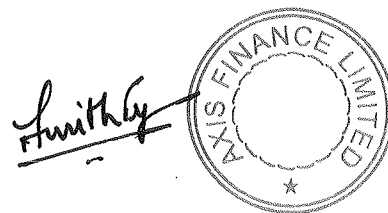
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

33 Related Parties disclosure:**Transactions with related parties**

Nature of transactions	Holding Company	Fellow Subsidiaries including subsidiaries of fellow subsidiaries	Key Management Personnel	Total
	₹	₹	₹	₹
Service charges other – IT Service fees (ABL)	15.68	-	-	15.68
	(4.00)	(-)	(-)	(4.00)
Referral fees (ABL)	-	-	-	-
	(2.34)	(-)	(-)	(2.34)
Arrangership fees (ABL)	10.44	-	-	10.44
	(39.30)	(-)	(-)	(39.30)
Other Reimbursement of Expenses (ABL)	88.06	-	-	88.06
	(60.07)	(-)	(-)	(60.07)
Internal Audit Fees (ABL)	-	-	-	-
	(3.29)	(-)	(-)	(3.29)
ESOP (ABL)	134.65	-	-	134.65
	(90.47)	(-)	(-)	(90.47)
Closing Balance				
Share Capital (ABL)	48,075.00	-	-	48,075.00
	(48,075.00)	(-)	(-)	(48,075.00)
Overdraft Account Balance (ABL)	41,541.85	-	-	41,541.85
	(84,303.24)	(-)	(-)	(84,303.24)
Current account balance (ABL)	68.86	-	-	68.86
	(210.11)	(-)	(-)	(210.11)
Processing fees Receivable (ABL)	-	-	-	-
	(61.99)	(-)	(-)	(61.99)
Sundry Payables (ABL)	5.08	-	-	5.08
	(0.73)	(-)	(-)	(0.73)
Sundry Receivables (APEL)	-	-	-	-
	(-)	(8.00)	(-)	(8.00)
Sundry Receivables (ASL)	-	226.38	-	226.38
	(-)	(-)	(-)	(-)
Staff Loan given	-	-	75.28	75.28
	(-)	(-)	(-)	(-)
Sundry Payables (ASL)	-	-	-	-
	(-)	(0.57)	(-)	(0.57)

Note: -

1. Related party relationships and transactions have been identified by the Management and relied upon by the Auditors.
2. The remuneration to the key managerial person does not include provisions made for gratuity and leave benefits as they are determined on actuarial basis for the Company as a whole.
3. Figures in bracket pertain to previous year.



34 Gratuity and other benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The Company has invested fund in New Group Gratuity Cash Accumulation Plan with Life Insurance Corporation of India.

Net employee benefit expense (recognized in employee cost):

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Current service cost	9.87	4.92
Interest cost on benefit obligation	8.27	2.89
Expected return on plan assets	(7.30)	(2.36)
Past service cost	-	11.96
Transferred from group Company	-	-
Net benefit expense/(income)	10.83	17.42

Net employee benefit expense (recognized in Other Comprehensive Income - OCI):

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Net actuarial (gain)/loss recognized in the year	4.27	5.55
Return on Plan Assets, Excluding Interest Income	(2.40)	(0.75)
Net benefit (income)/expense for the year recognized in OCI	1.87	4.80

Provision for gratuity recognized in Balance Sheet:

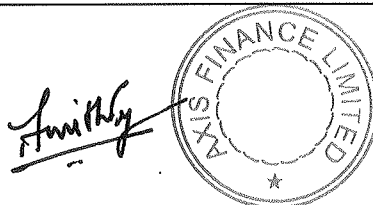
Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Projected benefit obligation	(124.35)	(107.00)
Fair value of plan assets	130.64	94.49
Less: Unrecognised past service cost	-	-
Plan (assets)/liability	6.28	(12.51)

Actual return on plan assets

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Expected return on plan assets	7.30	2.36
Actuarial gains/(losses) on plan assets	2.40	0.75
Actual Return on plan assets	9.71	3.11

Changes in the present value of the projected benefit obligation are as follows:

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Opening projected benefit obligation	107.00	39.12
Interest cost	8.27	2.89
Current service cost	9.87	4.92
Past Service Cost - Vested Benefit Incurred during the period	-	11.96
Liability transferred in	-	56.91
Benefit Paid From the Fund	(5.05)	(14.36)
Actuarial (gains)/losses on obligation	4.27	5.55
Closing projected benefit obligation	124.35	107.00



34 Gratuity and other benefit plans

Changes in the fair value of plan assets are as follows:

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Opening fair value of plan assets	94.49	31.92
Expected return	7.30	2.36
Contributions by employer	31.50	16.91
Assets Transferred In	-	56.91
Benefits paid	(5.05)	(14.36)
Actuarial gains/(losses)	2.40	0.75
Closing fair value of plan assets	130.64	94.49

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity

Particulars	March 31, 2019	March 31, 2018
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2018 – 2019	2017 – 2018
Discount rate	7.77%	7.73%
Expected rate of return on assets	7.77%	7.73%
Employee turnover	10.00%	5.00%
Salary escalation rate	7.00%	7.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four periods are

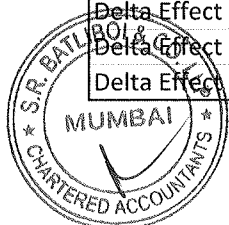
Particulars	2018 – 2019 ₹	2017 – 2018 ₹	2016 – 2017 ₹	2015 – 2016 ₹	2014 – 2015 ₹
Projected benefit obligation	124.35	107.00	39.12	31.24	27.09
Plan assets	130.64	94.49	31.92	30.19	18.90
(Surplus) /deficit	(6.28)	12.51	7.21	1.05	8.19
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Expected payment contributions to the plan for next annual reporting period	20,36,792	22,37,780

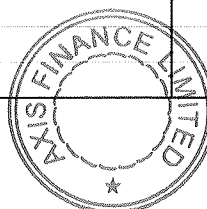
The weighted average duration of defined benefit obligations as at 31 March 2019 is 11 years (Previous Year : 12 years)

Sensitivity Analysis

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Projected Benefit Obligation on Current Assumptions	124.35	107.00
Delta Effect of + 0.5% Change in Rate of Discounting	(10.80)	(9.17)
Delta Effect of - 0.5% Change in Rate of Discounting	12.61	10.69
Delta Effect of + 0.5% Change in Rate of Salary Increase	6.87	5.41
Delta Effect of - 0.5% Change in Rate of Salary Increase	(7.11)	(5.64)
Delta Effect of + 0.5% Change in Rate of Employee Turnover	2.65	2.63
Delta Effect of - 0.5% Change in Rate of Employee Turnover	(3.05)	(3.02)



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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019

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

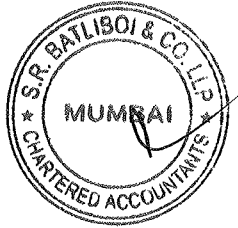
34 Gratuity and other benefit plans

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



35 Deferred taxation & Income Tax:

In accordance with Ind AS 12 "Income Taxes", the Company has accounted for deferred taxes during the year. Deferred tax comprises of timing difference on account of following:-

Deferred Tax Asset/(Liability)	2018 – 2019 ₹	2017 – 2018 ₹	01-04-2017 ₹
Depreciation	(35.92)	(32.39)	(14.87)
Provision for leave encashment	24.46	14.34	5.36
Provision for Gratuity	-	4.33	-
Unamortized Processing Fees	2,828.27	2,227.21	1,300.09
Fees on Loans Undisbursed	366.43	400.10	107.86
NCD Interest accrued and transaction cost	(418.25)	(215.90)	(207.82)
Fair Value of Investments	12.18	-	(2.70)
Term Loan at Amortised Cost	(3.20)	-	-
Expected Credit Loss	2,242.94	1,475.02	909.05
Provision for Impairment on Investment	-	-	6.92
Provision for Impairment on Trade Receivables	1.42	1.44	-
Total	5,018.33	3,874.15	2,103.89

The components of income tax expense for the years ended	2018 – 2019 ₹	2017 – 2018 ₹
Current Tax	12,630.11	11,437.04
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(1,144.18)	(1,770.26)
Total tax charge	11,485.93	9,666.78
Current Tax	12,630.11	11,437.04
Deferred tax	(1,144.18)	(1,770.26)

36 Provisions and Contingencies

The break-up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account is as below:

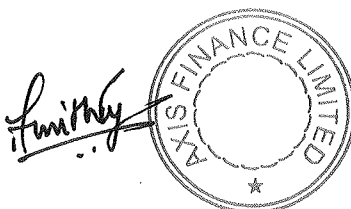
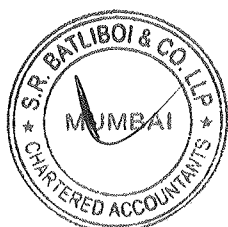
Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Provisions for impairment on Investment	1.95	(20.00)
Provision towards NPA	1,524.64	-
Provision towards Trade receivables	(0.11)	4.16
Provision made towards Income tax	12,630.11	11,437.04
Provision for Standard Assets	631.99	1,635.39
Total	14,788.58	13,056.59

37 Leases:

Operating Lease :

Office premises are obtained on operating lease. These leases have an average life between one to five years with further renewals option included in the contract. There are no restrictions imposed by lease arrangements. There are no subleases

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Minimum lease payments:		
-Not later than one year	211.71	107.05
-Later than one year but not later than five years	343.58	78.19
-Later than five years	103.96	30.97
Lease payment for the year	170.19	106.49



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

38. Risk Management

Risk Profile

The Company has operations within India. It is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks. While risk is inherent to the Company's activities, it is managed through a risk management framework including identification, monitoring, subject to risk limits and other controls. Risk management is critical to the Company's continuing profitability.

Risk Management Structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Risk Management Committee of the Board has the responsibility for development of the risk strategy & risk appetite and implementing principles, policies and limits. The Committee is also responsible for managing risk decisions and monitoring risk levels.

The Risk Management Department is responsible for monitoring compliance with risk policies and limits. Business units are primarily responsible for management of risk in their units, including monitoring the risk of exposures against limits and the assessment of risks of structured transactions. Exceptions / breach of limits are reported to the management and the Risk Management Committee.

The Treasury Department is responsible for managing the liabilities and the overall capital structure. It is also primarily responsible for the funding and liquidity risks.

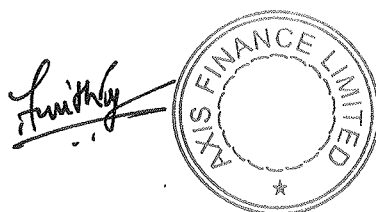
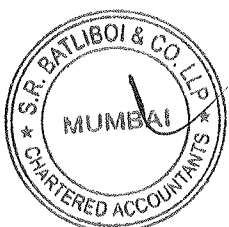
The risk management processes are audited annually by the internal auditors, which examine the adequacy of the processes and compliance with the limits. The internal auditors discuss the results of all assessments with the management. Observations and recommendations of the internal auditors are reported to the Audit Committee of the Board.

Risk Mitigation

The Company's capital management guidelines ensure maintenance and management of prudent capital levels to support the desired balance sheet growth and provide a cushion against unexpected losses.

Managing liquidity positions is vital for the Company's effective operation. The management monitors the liquidity position on an ongoing basis and also examines how liquidity requirements are likely to evolve under different scenarios. The Asset Liability Management Committee (ALCO), comprising the Managing Director & CEO, Chief Risk Officer and Chief Financial Officer, considers the current economic and market environment, near-term business growth projections and long-term strategic business decisions for determining the appropriate mix of funding sources to ensure liquidity is managed prudently.

Changes in market interest rates might adversely affect the Company's profitability. The immediate impact of changes in interest rates is on the company's earnings by impacting the Net Interest Income. The Company has set up an Earnings at Risk limit for monitoring and controlling the Interest Rate Risk.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

Risk Measurement and Reporting

Monitoring and controlling risks is performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk the Company is willing to accept, with additional emphasis on selected sectors, liquidity position and capital adequacy position. Information in this regard is presented to the senior management on a monthly basis and to the Risk Management Committee of the Board on a quarterly basis.

Excessive Risk Concentration

Concentration arises when a number of counterparties are engaged in similar business activities or operate in the same region or have similar features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. In order to avoid excessive concentration of risk, the Company's policies include limits / guidelines on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit Risk

Credit risk is the risk that the Company will incur a loss because its borrowers fail to discharge their contractual obligations. The Company has robust underwriting mechanism for loans and investments. It manages and controls its credit risk by setting limits on the amount of exposure for individual counterparties & groups, products, geographies, etc. and by monitoring exposures in relation to such limits. It actively uses collaterals to reduce the credit risk. Credit quality review of individual exposures is undertaken for timely identification of deterioration in creditworthiness of counterparties, including that of collaterals.

Impairment Assessment

a) Definition of Default and Cure

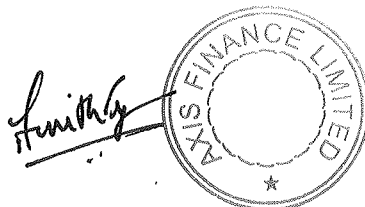
The Company considers a loan as defaulted and therefore classified as Stage 3 (credit impaired) for ECL calculation in all cases when the borrower becomes 90 days past due on its contractual payments. Also, any loan facility which has been restructured / where the Company has exercised forbearance is considered as Stage 3.

As part of qualitative assessment of whether a customer is in default, the Company also considers other instances that may indicate unlikelihood to pay.

An asset classified as Stage 3 when the borrower becomes 90 days past due on its contractual payments shall be moved out from Stage 3 upon payment of all irregularities and on payment of next dues on due date. Restructured assets shall be moved out from Stage 3 on adherence of restructuring terms, subject to a cooling period of 1 year.

b) Probability of Default (PD) Estimation

It is an estimate of the likelihood of default over a given time horizon. In order to estimate / source the PDs, studies on defaults by external rating agencies available in public domain and experience of the Parent (Axis Bank Limited) have been taken into account.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

c) Exposure at Default (EAD)

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments. A credit conversion factor of 10% is applied for expected drawdown on committed loan facilities.

d) Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral.

Significant Increase in Credit Risk

The Company considers an exposure to have significantly increased in credit risk when the borrower becomes 30 days past due on its contractual payments. Further, a borrower who was credit impaired during the past 6 months preceding the reporting date shall also be classified as exhibiting significant increase in credit risk.

As part of qualitative assessment of whether a customer is exhibiting significant increase in credit risk, the Company also considers other instances that may indicate that there has been a significant deterioration in the customer's ability and willingness to pay.

Grouping Financial Assets

The Company calculates ECL either on a collective basis or at an individual client basis, based on the nature of the loan product. ECL for assets predominantly secured by listed / quoted financial securities is calculated on a collective basis. ECL for other assets and all Stage 3 assets is calculated on an individual basis.

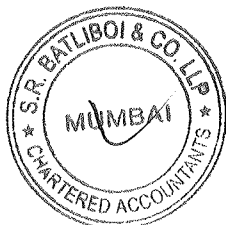
Analysis of Risk Concentration

The Company's risk concentration is managed by client / counterparty. The maximum credit exposure to any client or counterparty was ₹ 153.64 crores as at March 31, 2019. Total exposure to 20 largest customers constituted 29.22% of the Company's total credit exposure as at March 31, 2019.

Credit Risk Exposure Analysis at Amortized Cost

(₹ In lakhs)

Particulars	As at 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total
Wholesale (A)	7,37,602.45	7,073.81	3,049.29	7,47,725.55
Retail (B)	51,273.04	0.00	0.00	51,273.04
Total Loans (A+B)	7,88,875.49	7,073.81	3,049.29	7,98,998.59
Investments	9,979.38	0.00	0.00	9,979.38



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019

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

Collateral and Other Credit Enhancements

In order to mitigate the credit risk, the Company obtains collaterals, depending upon the assessment of credit risk at the individual loan account level. The Company has adopted guidelines for valuation and acceptability of each type of collateral.

Main types of collateral obtained include shares, debentures, bonds, mutual fund units, real estate properties, fixed assets, escrow of specific receivables / cash flows. The Company also obtains personal / corporate guarantees from key promoters and parent / group companies for loans to their subsidiaries / group companies.

The management monitors the market value of collateral and additional collateral is obtained in case of a breach in the stipulated security cover in accordance with the loan agreement.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of cash flows. The Company has arranged for funding through diversified sources and adopted a policy of managing cash flows and monitoring liquidity to limit this risk. The Company has also adopted a Contingency Funding Plan, which is tested on an annual basis and the test results are placed before the Risk Management Committee of the Board. Please refer Notes to Accounts - Note No. 45 for maturity pattern of assets and liabilities.

Liquidity Ratios based on remaining contractual maturities:

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to Borrowings	118.62%	121.98%
Short Term Advances to Short Term Borrowings (residual maturity upto 12 months)	105.64%	112.09%

Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers repay earlier than expected / contracted. The Company has an option to levy a pre-payment penalty in such cases.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages those portfolios separately.

The Company does not maintain any trading portfolio. Market Risk on the non-trading portfolio is monitored through the Earnings at Risk limit. The Company is not exposed to currency risk as its entire borrowings and lending are denominated in Indian Rupees.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Interest Rate Risk

Changes in market interest rates might adversely affect the Company's profitability. The immediate impact of changes in interest rates is on the company's earnings by impacting the Net Interest Income. The Company has set up an Earnings at Risk limit for monitoring and controlling the Interest Rate Risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) on the Company's Net Interest Income:

Increase / Decrease in basis points	Sensitivity of Net Interest Income 2018-19
+/- 20 bps	- ₹161.71 lakhs / + ₹161.71 lakhs
+/- 30 bps	- ₹242.57 lakhs / + ₹242.57 lakhs

Operational Risk

Operational risk is the risk of loss arising from human error, systems failure, fraud or external events. Operational risk can lead to financial loss or cause damage to reputation, have legal or regulatory implications when controls fail to operate effectively. The Company cannot expect to eliminate all operational risks. However, it manages these risks through a control framework. Controls include segregation of duties, system access, authorization and reconciliation procedures and assessment processes such as the use of internal audit and concurrent audit.

Impairment of Financial Assets

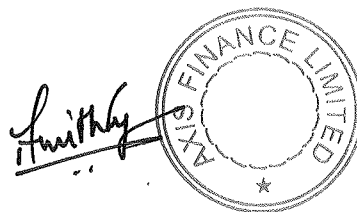
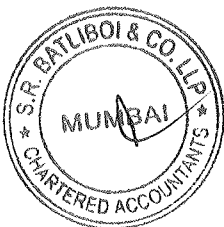
The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

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

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months' expected credit loss. Stage 1 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 2.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for the life time expected credit loss. Stage 2 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 3.

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

Calculation of Expected Credit Losses (ECL)

The Company calculates ECL to measure the expected cash shortfall, discounted at the Effective Interest Rate (EIR). Expected cash shortfall is the difference between the cash flows that are contractually due to the Company and cash flows that the Company expects to receive.

Key elements considered for ECL calculation are as under:

Probability of Default (PD): It is an estimate of the likelihood of default over a given time horizon. In order to estimate the PDs, studies on defaults available in public domain and experience of the Parent Company (Axis Bank Limited) have been taken into account.

Exposure at Default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments. A credit conversion factor of 10% is applied for expected drawdown on committed loan facilities.

Loss Given Default (LGD): LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

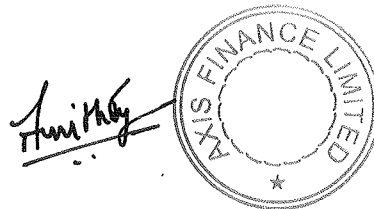
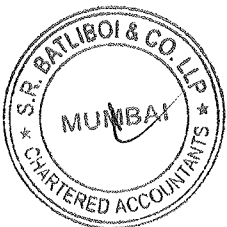
ECL is calculated as under:

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

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

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

The Company also adopts a loss based approach to calculate ECL for assets predominantly secured by listed / quoted financial securities.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended March 31, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Forward Looking Information

In computation of ECL, the Company considers historical loss rates on the portfolio over a period which covers most external factors such as equity prices, property prices, collateral valuations, interest rates, etc. The management believes that there is no correlation directly with external events on loan repayment by the customers. Accordingly, no analysis has been performed.

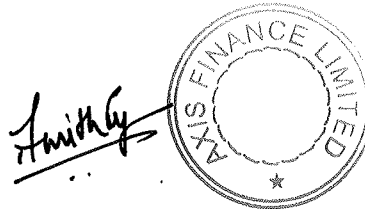
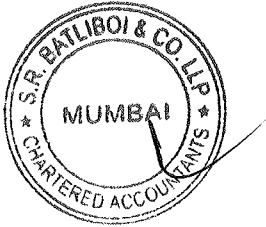
Collateral Valuation

To mitigate the credit risk on loans / investments, the Company seeks to use collateral, where possible. The collateral may be in the form of receivables, shares, mutual funds, bonds, real estate and guarantees.

Fair value of the collateral affects the calculation of ECL. It is assessed at inception of the loan and re-assessed on a yearly basis. However, quoted financial securities are valued daily.

Write-offs

Financial assets are written-off either partially or in their entirety when the Company has stopped pursuing recovery. There have not been any write-offs during the year.



39 First time adoption of Indian Accounting Standards

Ind AS 101 applies to the first set of financial statements and interim financial statements for a period covered by those first financial statement that are prepared under Ind AS. For Company, financial statement as at 31st March 2019 is the first set of financial statements, with the comparative information for the year ended 31st March 2018 and opening Ind AS Balance Sheet as at April 01, 2017. Ind AS 101 provides for certain mandatory exemption for first time adoption

Company has availed below mandatory exemption for first time adoption:

A) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B) Impairment of financial assets

Ind AS 101 requires an entity at the date of transition to Ind AS shall use reasonable and supportable information that is available without undue cost or effort. In order to determine the loss allowance on financial instrument initially recognised prior to the date of initial application, both on transition and until the de-recognition of those items, an entity shall consider information that is relevant in determining or approximating the credit risk at initial recognition. In order to determine or approximate the initial credit risk, an entity may consider internal and external information.

The Company has used reasonable and supportable information that is available without undue cost and effort to determine the credit risk at the date that financial instruments were initially recognised and compared that to the credit risk at the date of transition to Ind AS to determine if there is any significant increase in credit risk or not.

C) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that there were errors in those estimates.

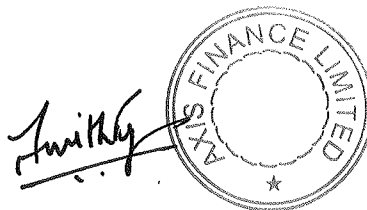
Ind AS estimates as at April 01, 2017 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model.

Ind AS gives below optional exemption for first time adoption

Deemed cost of PPE, Intangible assets and Investment Property

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and Ind AS 40 'Investment Property'. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their IGAAP carrying value in its financial statement.

The accounting policies that Company uses in its opening Ind AS Balance Sheet differs from those that it used for the same date using its previous IGAAP, the resulting adjustments arise from events and transactions before the date of transition to Ind AS is adjusted directly in retained earnings.



39 First time adoption of Indian Accounting Standards

Reconciliation of equity and profit reported in accordance with previous IGAAP and Ind AS to explain how the transition from the previous IGAAP to Ind AS effected is provided below:-

Particulars	As at March 31, 2018	As at April 1, 2017
Total equity as per Indian GAAP	1,06,463.88	87,637.78
Adjustments	-	-
Adoption of EIR for amortization of income and expenses - receivables	(7,591.65)	(4,068.32)
Adoption of EIR for amortization of income and expenses - borrowings	623.84	600.51
Fair valuation of investments	-	7.81
Expected Credit Loss on financial instruments	(1,615.46)	(929.33)
Tax effects of adjustment	2,970.50	1,519.06
Total adjustments	(5,612.77)	(2,870.27)
Total equity as per Ind AS	1,00,851.11	84,767.50

Net Profit Reconciliation is as under:-

Particulars	Year ended 31 March 2018
Net profit after tax reported under Indian GAAP	20,935.37
Adjustments	
Adoption of EIR for amortization of income and expenses - receivables	(3,523.33)
Adoption of EIR for amortization of income and expenses - borrowings	23.34
Fair valuation of investments	(7.81)
Expected Credit Loss on financial instruments	(686.14)
Adjustment due to fair valuation of employee stock options	(90.47)
Actuarial gain/loss on valuation of gratuity	3.14
Tax effects of adjustment	1,451.44
Total adjustments	(2,829.83)
Net profit after tax as per Ind AS	18,105.54
Other comprehensive income, net of tax	-
Actuarial gain/loss on valuation of gratuity	(3.14)
Other comprehensive income, net of tax	-
Total comprehensive income	18,102.40

Note:

Adoption of EIR for amortization of income and expenses – receivables

The company has valued most of the financial assets at amortised cost since business model whose objective is to hold the financial assets in order to collect the contractual cash flows. Interest income on loans and advances is recognized with Effective Interest Rate. Impact out of EIR and amortization is recognized in retained earnings at transition and thereafter are recognized through Profit and Loss.

Adoption of EIR for amortization of income and expenses – borrowings

The company has valued the financial liabilities at amortised cost. Interest expenses on NCD recognized with Effective Interest Rate. Impact out of EIR and amortization is recognized in retained earnings at transition and thereafter are recognized through Profit and Loss.

Fair valuation of investments

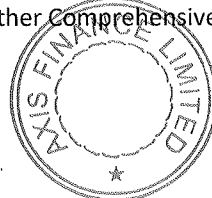
The company has valued MF at FVTPL. Impact of fair value changes as on the date of transition, is recognized in retained earnings and changes thereafter are recognized in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

Expected Credit Loss

The Company records allowance for expected credit losses for all loans and advances, other financial assets except asset which are held at FVTPL. Impact out of implementation of ECL model is recognised in retained earnings and changes thereafter are recognized in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.



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39 First time adoption of Indian Accounting Standards

Employee Stock Option

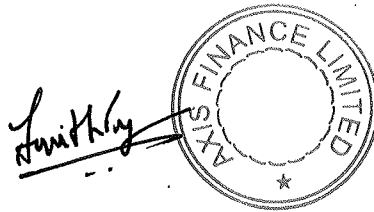
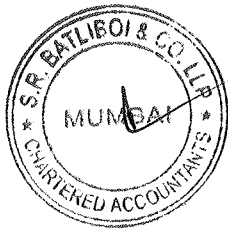
Company's select employees receive shares of Axis Bank Limited and company does not have obligation to settle the award, the award is treated as Equity settled plan. Company recognizes as an expense for the grant date fair value of award over the vesting period.

Actuarial gain/loss on valuation of gratuity

Actuarial gain and losses due to change in demographic, financial assumptions and experience are recognized immediately through OCI under items that will not be reclassified to profit or loss.

Tax effects of adjustment

The impact of transition adjustment together with Ind AS mandate of using balance sheet approach for computation of deferred taxes has resulted credit to retained earnings on the date of transition, with the consequential impact to Statement of Profit and Loss for the subsequent periods.



AXIS FINANCE LIMITED

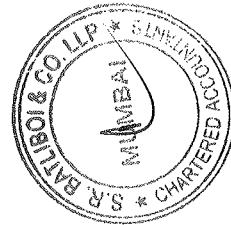
Notes forming part of financial statements for the period ended 31 March, 2019
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

40. Asset Liability Management Maturity pattern of certain items of assets and liabilities

Particulars	Financial year 2018-19									
	Upto 30-31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total	
Advances	23,191.59	160.96	67,021.09	1,27,229.25	2,49,858.16	2,58,130.17	58,719.86	8,268.81	7,92,579.89	₹
Investments	-	-	-	-	-	4,977.43	3,000.00	2,000.00	9,977.43	₹
Borrowings	80,334.06	57,345.06	97,277.20	81,591.70	1,31,895.22	1,49,199.86	23,331.63	49,848.73	6,70,823.46	₹

Particulars	Financial year 2017-18									
	Upto 30-31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total	
Advances	1,05,485.43	26,372.38	22,000.00	97,543.34	1,90,013.71	1,87,435.15	23,984.26	-	6,52,834.27	₹
Investments	-	-	-	-	-	-	-	-	-	₹
Borrowings	42,267.16	1,74,329.62	91,691.64	24,847.93	69,271.03	21,750.00	68,844.40	49,835.39	5,42,837.17	₹

Particulars	Financial year 2016-17									
	Upto 30-31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total	
Advances	25,093.72	1,615.89	33,625.21	49,405.67	1,04,160.92	1,40,810.81	68,576.40	-	4,23,288.62	₹
Investments	28,007.81	-	-	-	-	11,047.79	-	-	39,055.60	₹
Borrowings	1,38,975.23	98,382.07	69,073.38	41,251.04	14,500.00	44,500.00	-	19,906.98	4,26,588.71	₹



Sanjiv

- 41 There are no restructured loans as at 31 March, 2019 (previous year ₹ Nil).
- 42 Information related to Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no outstanding balance due to such parties at year end. (31 March 2018 ₹ Nil, 1 April 2017 ₹ Nil).
- 43 Foreign currency expenditure and foreign currency income during the year was Nil (31 March 2018 ₹ Nil).

44 Capital to Risk-Asset Ratio (CRAR)

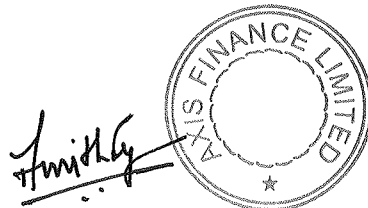
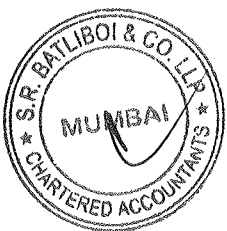
- The primary objectives of the Company's capital management policy is to ensure that the Company complies with RBI imposed capital adequacy requirements and maintains healthy capital ratios in order to support its business and to maximise shareholder value.
- The Company manages its capital structure and makes adjustments to it according to changes in economic and risk conditions and regulatory requirements. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.
- Tier I Capital consists of share capital, securities premium, retained earnings including current year profit less dividend distribution and reduced by deferred expenses, deferred taxes and intangible assets.
- Tier II Capital consists of impairment provisions on financial instruments (assets) and subordinate debt.

Particulars	2018-19	2017-18	2016-17
CRAR- Tier I Capital	1,15,603.92	96,654.04	82,414.78
CRAR- Tier II Capital	54,748.78	54,101.62	22,533.68
Total Capital	1,70,352.70	1,50,755.65	1,04,948.47
CRAR (%)	21.09%	22.91%	22.55%
CRAR- Tier I Capital (%)	14.31%	14.69%	17.71%
CRAR- Tier II Capital (%)	6.78%	8.22%	4.84%
Amount raised by issue of Perpetual Debt Instruments	-	-	-

45 Exposure* to Real Estate Sector

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
A) Direct Exposure		
(i) Residential Mortgages	728.48	1,991.40
(ii) Commercial Real Estate	3,67,635.88	2,48,186.80
(iii) Investment in Mortgage Backed Securities(MBS) and other securitised exposures		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
B) Indirect Exposure	-	-
Total Exposure to Real Estate Sector	3,68,364.36	2,50,178.20

* 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 exposure limit.



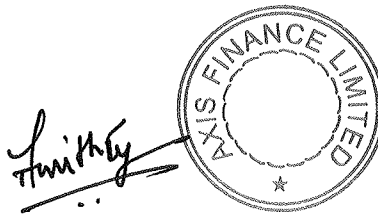
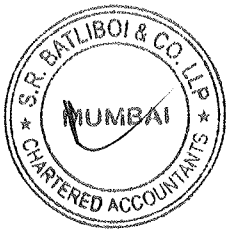
AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019

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

- 46 No frauds have been reported during the current year and previous year.
- 47 The Company has not entered into any derivative transaction (including forward rate agreement /interest rate swap/ Exchange Traded Interest Rate (IR) Derivatives) during the current year and previous year and there is no outstanding derivative transaction as on 31 March 2019 and 31 March 2018 respectively.
- 48 There has not been any limit exceeded for single borrower limit and group borrower limit by the Company in current year and previous year.
- 49 There are no advances/projects financed by the Company wherein intangible security such as rights, licences, authorizations etc. are charged as collateral.
- 50 There are no registrations obtained from other financial sector regulator (other than RBI) by the Company in current year and previous year.
- 51 There have not been any penalties imposed by RBI and other regulators on the Company in current year and previous year.
- 52 India Ratings and Research Private Limited and CRISIL Limited have accredited the following ratings to the Company.

Name of Rating Agency	Type	Ratings	Amount (₹ in crores)	Tenure	Validity
India Ratings and Research Private Limited	Long term	IND AAA / Stable	1,47,500	-	Yearly Surveillance
	Short term	IND A1+	10,00,000	12 months	1 year from rating date i.e. 28-02-2019 or 29-02-2020 whichever is earlier
CRISIL Limited	Long term	CRISIL AAA / Stable	2,00,000	-	Yearly Surveillance
	Short term	CRISIL A1+	10,00,000	60 days	60 days from 28-02-2019 or life of the instrument or one year issued within 60 days from 28-02-2019



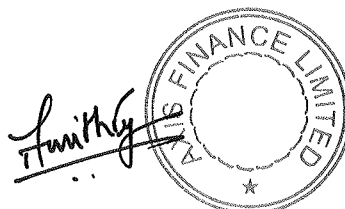
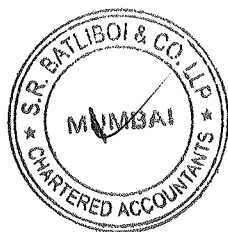
- 53 There are no securitisation transactions entered into by the Company during the current year and previous year. Also, the Company does not have any securitisation exposures during the current year and previous year.
- 54 The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction and also not undertaken any assignment transactions during the current year and previous year.
- 55 The Company has not purchased/sold any non performing financial assets during the current year and previous year.
- 56 There has not been any financing of parent Company products by the Company during the current year and previous year.

57 Exposure* to Capital Market

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
A) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
B) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	1,48,128.84	76,730.70
C) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,34,174.27	4,44,026.61
D) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
E) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	6,208.16	36,348.30
F) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
G) bridge loans to companies against expected equity flows / issues;	-	-
H) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	3,88,511.27	5,57,105.61

* 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 exposure limit.

- 58 There have been no drawn down reserves during the current year and previous year.



59 Concentration of Advances*

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Total Advances to Twenty Largest Borrowers	2,55,678.05	2,33,531.45
Percentage of Advances to Twenty Largest Borrowers to Total Advances	31.79%	35.25%

* Advances include borrower contractual outstanding balances

60 Concentration of Exposures*

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Total Exposure to Twenty Largest Borrowers / customers	2,64,467.31	2,43,317.22
Percentage of Exposures to Twenty Largest Borrowers / Customers to Total Exposure of Axis Finance on borrowers / customers	29.22%	28.04%

* 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 exposure limit.

61 Concentration of Non Performing Assets* (NPAs)

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Total exposure to top four Non Performing Assets	3,049.29	-

* Assets under Stage 3 are considered as NPAs

62 Sector-wise Non Performing Assets (NPAs)

Sectors	% of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	0.41%
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

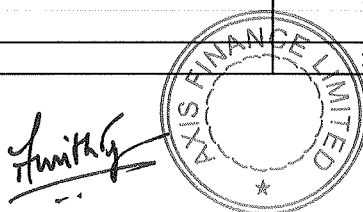
63 Movement of Non Performing Assets (NPAs)

(i) Net NPAs to Net Advances (%)	2018-19	2017-18
	0.19%	0.00%

(ii) Movement of NPAs (Gross)	2018 – 2019 ₹	2017 – 2018 ₹
Opening balance	-	-
Additions during the year	3,049.29	-
Reductions during the year	-	-
Closing balance	3,049.29	-

(iii) Movement of NPAs (Net)	2018 – 2019 ₹	2017 – 2018 ₹
Opening balance	-	-
Additions during the year	1,524.64	-
Reductions during the year	-	-
Closing balance	1,524.64	-

(iv) Movement of Provision on NPAs (excluding provision on Standard Assets)	2018 – 2019 ₹	2017 – 2018 ₹
Opening balance	-	-
Additions during the year	1,524.64	-
Reductions during the year	-	-
Closing balance	1,524.64	-



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019

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

64 There are no Off-Balance Sheet SPVs of the Company for the current year as well as previous year.

65 Customer Complaints

Particulars	2018-19	2017-18
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	2	-
No. of complaints redressed during the year	2	-
No. of complaints pending at the end of the year	-	-

66 Amount Spent towards Corporate Social Responsibility (CSR)

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
Gross amount required to be spent by the company during the year	495.82	360.40
Amount spent during the year ending on 31st March:		
A) Construction/acquisition of any asset	-	-
B) On purposes other than (A) above - Paid in Cash	495.82	360.40
C) On purposes other than (A) above - Yet to paid	-	-

67 Details of Auditors Remuneration

Particulars	2018 – 2019 ₹	2017 – 2018 ₹
For Statutory Audit and Limited Review	36.60	24.00
For Certification Services	-	-
Total	36.60	24.00

68 A Scheme of Amalgamation of Axis Private Equity Limited with the Company (the 'Scheme') was approved by the Board of Directors of the Company on 13 July 2017 and by the Board of Directors of Axis Private Equity Limited on 10 July 2017. The Appointed Date of the Scheme is 1 April 2017. The Company Scheme Petition in relation to the Scheme has been filed before the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'). Pending approval, no adjustment has been recorded in the financial results.

69 Previous year figures have been re-grouped, re-classified wherever necessary to conform to current year's presentation.

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

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

Firm Registration No.301003E/E300005

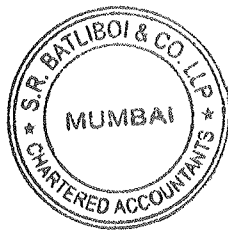
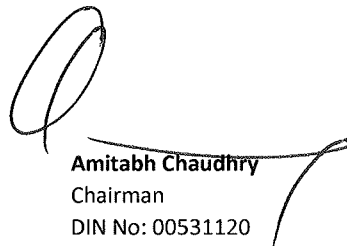


per Viren H. Mehta

Partner

Membership No.: 048749

Date: April 18, 2019

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


Amitabh Chaudhry

Chairman

DIN No: 00531120



Amith Iyer

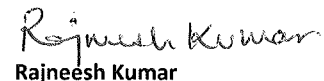
Chief Financial Officer



Bipin Kumar Saraf

Managing Director

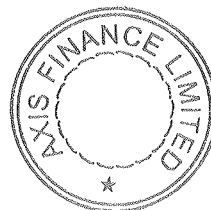
DIN No: 06416744



Rajneesh Kumar

Company Secretary

Membership No: A31230



AXIS FINANCE LIMITED

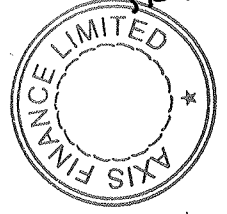
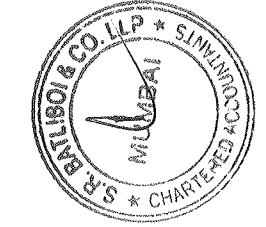
Notes forming part of financial statements for the period ended 31 March, 2019
Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
(All amounts are in rupees lakhs)

Particulars	Amount outstanding as at March 31,2019 (₹)	Amount overdue as at March 31, 2019 (₹)	Amount outstanding as at March 31, 2018 (₹)	Amount overdue as at March 31, 2018 (₹)	Amount outstanding as at April 01,2017 (₹)	Amount overdue as at April 01,2017 (₹)
Liabilities side :						
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:						
(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits*)	1,73,531.29 49,848.72	- -	1,24,574.32 49,835.38	- -	64,533.68 19,906.98	- -
(b) Deferred Credits	-	-	-	-	-	-
(c) Term Loans	62,173.87	-	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-	-	-
(e) Commercial Paper	2,00,191.56	-	1,99,008.66	-	2,87,060.66	-
(f) Public Deposits*	-	-	-	-	-	-
(g) Other Loans (Bank's Line of Credit)	1,85,078.03	-	1,69,418.82	-	55,087.39	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :						
(a) In the form of Unsecured debentures	-	-	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-	-	-
(c) Other public deposits	-	-	-	-	-	-

Note

As defined in point six of paragraph 3 of Chapter – 2 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

* Disclosure is made in respect of available information

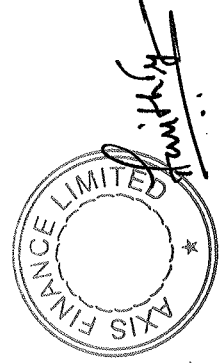
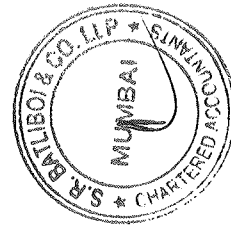


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AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019
Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
(All amounts are in rupees lakhs)

Particulars	Amount outstanding as at March 31, 2019 (₹)	Amount overdue as at March 31, 2019 (₹)	Amount outstanding as at March 31, 2018 (₹)	Amount overdue as at March 31, 2018 (₹)	Amount outstanding as at April 01, 2017 (₹)	Amount overdue as at April 01, 2017 (₹)
Assets side :						
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :						
(a) Secured	7,55,300.03	1,424.87	6,22,531.26	-	4,04,839.26	-
(b) Unsecured	43,698.55	-	34,565.08	-	21,076.05	-
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities						
(a) Lease assets including lease rentals under sundry debtors :						
(i) Financial lease	-	-	-	-	-	-
(ii) Operating lease	-	-	-	-	-	-
(b) Stock on hire including hire charges under sundry debtors:						
(i) Assets on hire	-	-	-	-	-	-
(ii) Repossessed Assets	-	-	-	-	-	-
(c) Other loans counting towards AFC activities						
(i) Loans where assets have been repossessed	-	-	-	-	-	-
(ii) Loans other than (i) above	-	-	-	-	-	-



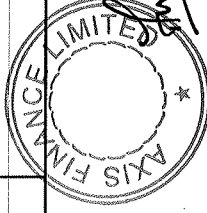
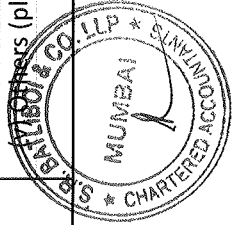
AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(All amounts are in rupees lakhs)

(5) Break-up of investments :	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 01, 2017 (₹)
Current Investments :			
(a) Quoted :			
(i) Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	9,977.43	-	-
(iii) Units of mutual funds	-	-	-
(iv) Government Securities	-	-	-
(v) Others (please specify)	-	-	-
(b) Unquoted :			
(i) Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	-	-	-
(iii) Units of mutual funds	-	-	28,007.81
(iv) Government Securities	-	-	-
(v) Others (please specify)	-	-	-
Long Term Investments :			
(a) Quoted :			
(i) Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	-	-	-
(iii) Units of mutual funds	-	-	-
(iv) Government Securities	-	-	-
(v) Others (please specify)	-	-	-
(b) Unquoted :			
(i) Shares : (a) Equity	-	-	-
(b) Preference	-	-	-
(ii) Debentures and Bonds	-	-	11,047.79
(iii) Units of mutual funds	-	-	-
(iv) Government Securities	-	-	-
(v) Others (please specify)	-	-	-
Total	9,977.43	-	39,055.60



AXIS FINANCE LIMITED

Notes forming part of financial statements for the period ended 31 March, 2019
Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
(All amounts are in rupees lakhs)

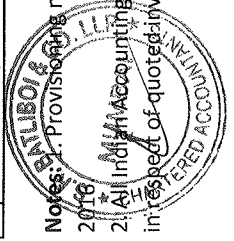
Category	Amount net of provisions as in (3) and (4) above : Please see Note 1 below				Amount net of provisions as at March 31, 2019		Amount net of provisions as at March 31, 2018		Amount net of provisions as at April 01, 2017	
	Secured (₹)		Unsecured (₹)		Total (₹)		Unsecured (₹)		Total (₹)	
	Secured (₹)	Unsecured (₹)	Unsecured (₹)	Total (₹)	Secured (₹)	Unsecured (₹)	Total (₹)	Unsecured (₹)	Total (₹)	
(a) Related Parties **	-	-	-	-	-	-	-	-	-	-
(i) Subsidiaries	-	-	-	-	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-	-	-	-	-
(iii) Other related parties	-	-	-	-	-	-	-	-	-	-
(b) Other than related parties	7,55,300.03	43,698.55	7,98,998.58	7,98,998.58	6,22,531.26	34,565.08	6,57,096.34	4,04,839.26	21,076.05	4,25,915.31
Total	7,55,300.03	43,698.55	7,98,998.58	7,98,998.58	6,22,531.26	34,565.08	6,57,096.34	4,04,839.26	21,076.05	4,25,915.31

Category	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 2 below				Book Value (Net of Provisions) as at March 31, 2018 (₹)	Market Value / Break up or fair value or NAV* as at March 31, 2018 (₹)	Book Value (Net of Provisions) as at March 31, 2018 (₹)	Market Value / Break up or fair value or NAV* as at April 01, 2017 (₹)	Book Value (Net of Provisions) as at April 01, 2017 (₹)
	Secured (₹)		Unsecured (₹)						
	Secured (₹)	Unsecured (₹)	Unsecured (₹)	Total (₹)					
(a) Related Parties **	-	-	-	-	-	-	-	-	
(i) Subsidiaries	-	-	-	-	-	-	-	-	
(ii) Companies in the same group	-	-	-	-	-	-	-	-	
(iii) Other related parties	-	-	-	-	-	-	-	-	
(b) Other than related parties	10,647.90	9,977.43	10,647.90	9,977.43	38,606.50	38,606.50	39,055.60	39,055.60	
Total	10,647.90	9,977.43	10,647.90	9,977.43	38,606.50	38,606.50	39,055.60	39,055.60	

* Disclosure is made in respect of available information

** As per Accounting Standard of ICAI (Please see Note 2)

Particulars	2018-19 (₹)		2017-18 (₹)		2016-17 (₹)	
	2018-19 (₹)	2017-18 (₹)	2017-18 (₹)	2016-17 (₹)	2016-17 (₹)	2015-16 (₹)
(a) Gross Non-Performing Assets	-	-	-	-	-	-
(i) Related parties	-	-	-	-	-	-
(ii) Other than related parties	3,049.29	-	-	-	-	-
(b) Net Non-Performing Assets	-	-	-	-	-	-
(i) Related parties	-	-	-	-	-	-
(ii) Other than related parties	1,524.64	-	-	-	-	-
(c) Assets acquired in satisfaction of debt	-	-	-	-	-	-



Notes: - Provisions norms shall be applicable as prescribed in Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
2) All India Accounting Standards and Guidance Notes issued by ICAI are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

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