

# *Empowering Enterprises*



Driving aspirations. Growing responsibly.

# Contents

## Corporate overview

- 01 Presence
- 03 About Axis Finance
- 04 Guided by GPS
- 06 Pillars of profitability
- 08 Product portfolio
- 12 Business model
- 14 Tech-led transformation
- 16 Customer centricity
- 18 Marketing efforts
- 20 Chairman's message
- 22 MD & CEO's message
- 24 Key performance indicators
- 26 Operating Environment
- 28 Our strategic priorities
- 30 Environment
- 32 Social impact
- 34 Robust governance
- 35 Meet our Board of Directors
- 36 Corporate information

## Statutory reports

- 38 Board's Report
- 82 Management Discussion and Analysis
- 101 Notice

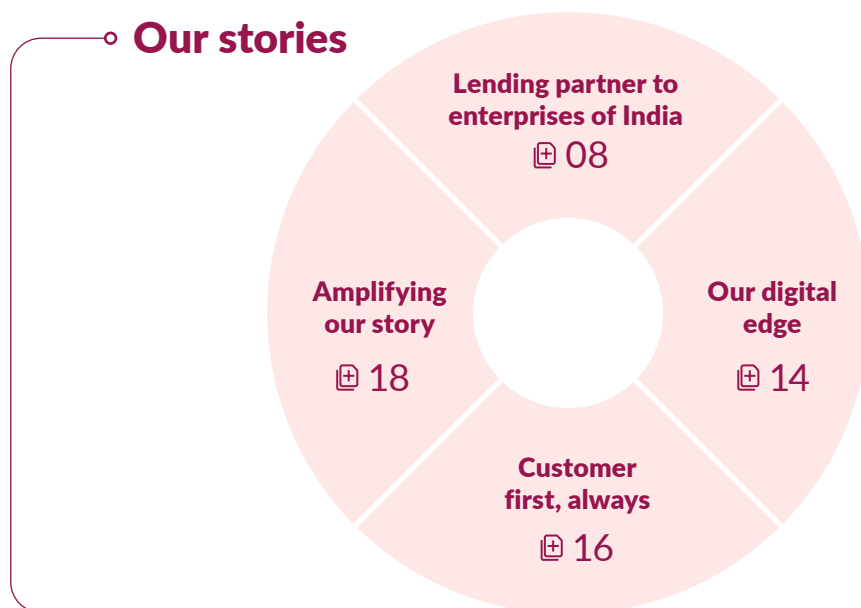
## Financial statements

- 118 Independent Auditors' Report
- 130 Balance Sheet
- 131 Statement of Profit and Loss
- 132 Statement of Cash Flows
- 134 Statement of Changes in Equity
- 135 Notes



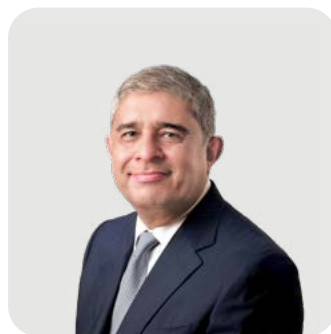
For more details visit our website [www.axisfinance.in](http://www.axisfinance.in) or simply scan the QR code

## Our stories



### Chairman's message

20



Amitabh Chaudhry  
Chairman

### MD & CEO's message

22



Sai Giridhar  
Managing Director & CEO

## The year in numbers

₹ 41,583 Crore

Gross AUM

▲ 18%

₹ 652.47 Crore

Profit After Tax

▲ 9%

13.92%

Return on Equity

▼ 258 bps

0.87%

Gross Nonperforming Asset

▲ 41 bps

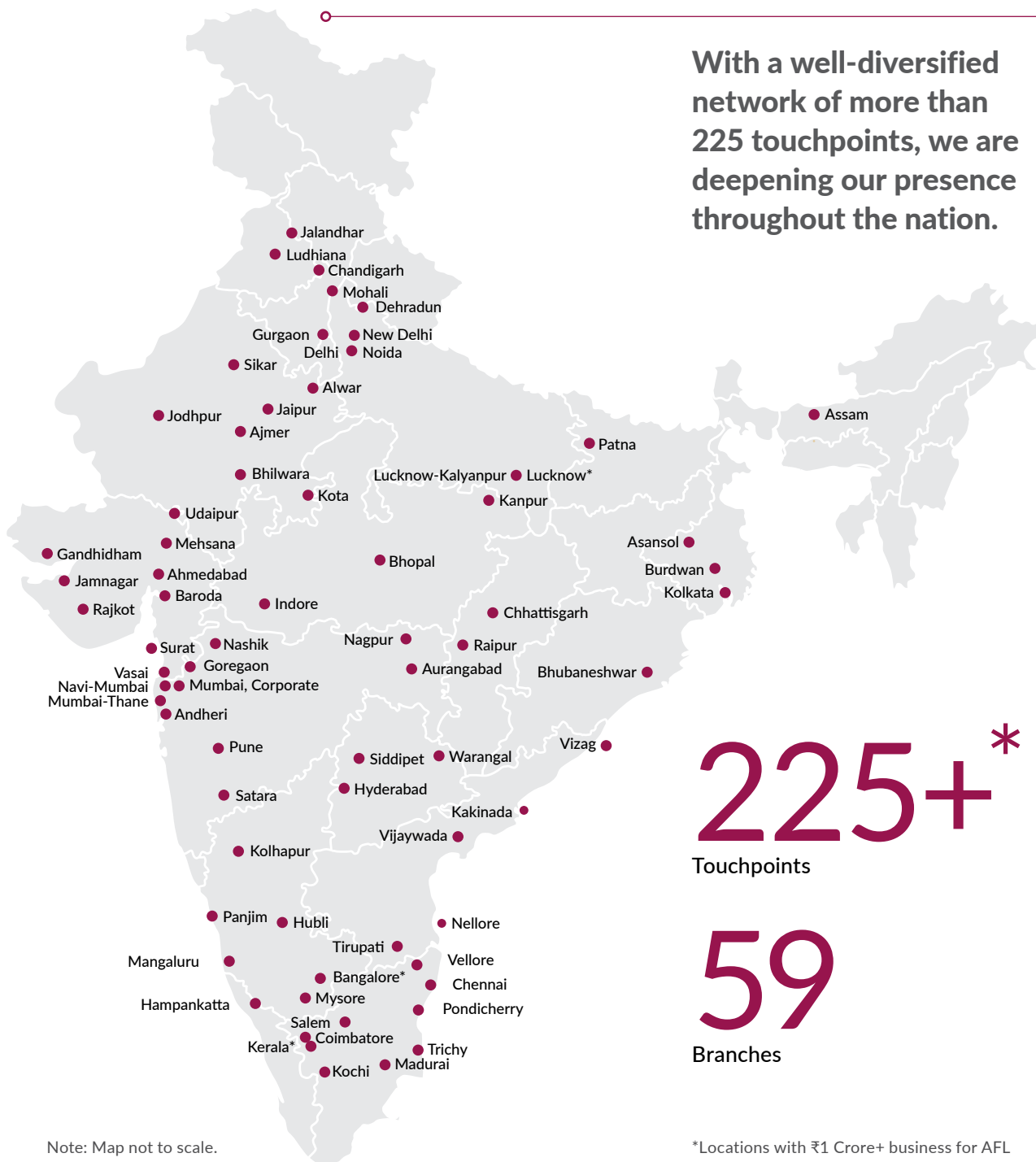
▲ YoY growth

▼ YoY down

## Presence

Widening reach.  
Powering possibilities.

With a well-diversified network of more than 225 touchpoints, we are deepening our presence throughout the nation.



# Empowering enterprises

Driving aspirations, Growing responsibly

At Axis Finance, we believe in the power of enterprise—whether it is a large corporation, a thriving MSME, a self-employed professional, or a neighbourhood kirana store. These diverse enterprises are the true engines of India's economic momentum, driving innovation, fuelling employment, and shaping consumption trends. Our purpose is to empower them with tailored financial solutions that turn their aspirations into achievements. As enablers of enterprise, we stand committed to supporting growth at every stage of their journey.

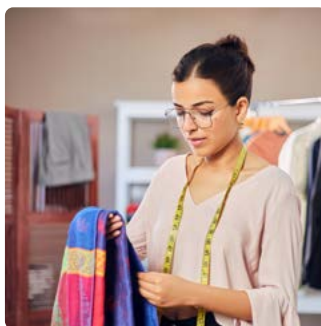
We follow a disciplined, customer-centric approach focused on responsible lending and calibrated growth, offering customised, technology-enabled solutions combined with reach, relevance and reliability. Through our scalable phygital model, we integrate digital convenience with strong physical presence, creating seamless access to credit and value-led customer satisfaction.

Aligned with our commitment to inclusivity, we are deepening our presence in underserved markets and catering to a diverse borrower base across income segments. Additionally, our balanced portfolio of secure and unsecured offerings is designed to meet a broad spectrum

of enterprise and individual funding needs, like operational requirements, expansion and working capital cycles.

All our initiatives are grounded in the belief that responsible progress drives enduring success.

Relying on in-depth market expertise, data-led insights and consequent agility, we aim to be the preferred financial partner to Indian enterprises, enabling growth with a purpose.



# Around the axis of progress and possibility

Axis Finance, a subsidiary of Axis Bank, is one of India's fastest-growing non-banking financial companies, distinguished for strong profitability across credit cycles and unparalleled asset quality. With diverse financial solutions across the wholesale, retail, and MSME segments, we cater to a wide spectrum of customers. This, coupled with our differentiated approach across product segments and a scalable phygital model, enables us to become the preferred lender of choice for businesses and individuals alike.

Built on a strong governance framework, we continuously leverage technology to enhance operational efficiency, in tandem with our efforts to de-risk our business. Furthermore, our digital-forward customer-centric approach allows us to empower enterprises with tailored financial solutions, ultimately contributing to the country's economic strength.

## Vision

To be the preferred financial solutions provider, excelling in customer delivery through insight, empowered employees and smart use of technology.

## Values

Our core values reflect the ethos on which we function and are entrenched across our operational framework. They include:



Customer centricity



Transparency



Ownership



Ethics



Teamwork

## Metrics that matter

### Financial metrics

**20.90%**

Capital adequacy ratio

**₹39,078** Crore

Assets under finance

**4.26%**

Net interest margin

### Operational metrics

**1,654**

Total workforce

**₹13.51** Crore

Annual CSR spend

**AAA**

Long-term credit rating



# A unified approach

At Axis Finance, our strategic direction is shaped by the **Growth, Profitability, and Sustainability (GPS)** framework, which keeps us aligned with the larger One Axis ecosystem. As we move towards becoming the financial solution partner to Indian enterprises, GPS serves as the foundation for sustainable growth, enhancing all operations.

Our focus is on building a high-quality, well-diversified loan book using technology to create differentiated value across operational capabilities, including underwriting and collection processes.

The clarity and direction provided by the framework allow us to deliver consistent performance across business lines and guide us to focus on resilience and sustainability, strengthening our position as a future-ready NBFC.

## Growth



### Key levers

- Maintain the health and strong momentum of the asset portfolio
- Deepen presence in RUSU markets
- Accelerate Retail and MSME lending
- Strengthen data-driven decision making

## Profitability



### Key levers

- Strengthen cost efficiency
- Enhance asset productivity
- Maximise shareholder value
- Sustain strong earnings trajectory

## Sustainability



### Key levers

- Foster a stable and engaged workforce
- Ensure strong regulatory alignment
- Leverage technology to drive operational agility
- Maintain robust asset quality
- Embed customer-centric thinking across operations

### The One Axis advantage

As part of the larger Axis family, we continue to draw strength from the One Axis ecosystem to enhance our strategic agility, broaden customer offerings, and excel operationally. From standardised communications practices to collaborating closely with marquee franchises, our integration across the Axis network enables us to create seamless value for customers and stakeholders. Furthermore, tapping into the rich research and economic expertise of Axis Bank equips us to navigate market shifts with informed confidence. We aim to scale efficiently and sustain our growth momentum, leveraging these collaborative touchpoints.



#### 'One Axis ecosystem'

##### Axis Bank Foundation

A purpose beyond profit

##### Axis Capital Ltd.

India's leading financial experts in Investment Banking and Institutional equities

##### Axis Securities Ltd.

End-to-end broker, focussed on building an advisory model delivering class-leading experiences to our consumers

##### Axis Pension Fund Management Ltd.

Complete suite of retirement solutions

##### Freecharge Payment Technologies Private Ltd.

A complete digital financial services platform, covering all aspects like Savings, Lending, Investments, Payments, and insurance

##### Axis Asset Management Company

Risk-managed investment solutions to both Retail and Institutional investors

##### Axis Finance Ltd.

'AAA' rated diversified NBFC, which provides wholesale and retail lending solutions to corporate and retail consumers

##### Axis Trustee Services Ltd.

A SEBI registered Debenture Trusteeship service provider

##### A. Treds Ltd.

India's largest TRedS platform that provides collateral free capital for MSMEs

# Pillars of profitability



**At Axis Finance, our commitment to sustained profitability is shaped by an integrated 4P framework, an approach that recognises the interplay of People, Product, Platform, and Process.**



### **People**

Our people are central to everything we do. As we expand our product portfolio we strategically strengthen our team to support this expansion. Additionally, we prioritise investing in nurturing important talents through functional and behavioural training initiatives. This functions in parallel with our induction process and SOP training, reinforcing operational consistency. We also have a zero-tolerance policy for any breach of our Ethics and Code of Conduct, enabling us to build a workplace grounded in learning and integrity.



As we foster a culture that nurtures talent through capability building, we place our people at the heart of our organisational growth. Meanwhile, as the market undergoes constant evolution, our innovation-driven product strategy helps us anticipate market needs and stay ahead of the curve. This prudent mindset is enabled by a robust platform, leveraging the power of technology to improve efficiency. Underpinning it all is an agile process, built on a strong foundation of ethical governance and customer-centricity.

## PHYGITAL processing

We take great pride in ensuring complete digital processing in all our loan operations to the extent allowed by legal and regulatory guidelines. Customers, Partners and Employees enjoy an array of services online without submitting physical documentation.



### Product

Our product strategy is rooted in contextual relevance as we design offerings closely aligned to the needs of micro-markets and customer segments. In line with that, we are building a diverse suite of differentiated products catering to Wholesale, Retail and MSME segments to build hyperlocalised products, all reflecting our focus on a granular product mix. Additionally, we are leveraging data-driven insights to strengthen our underwriting framework while delivering innovative solutions that accommodate evolving needs. We co-create insight-led products with our channel partners and employees, addressing the local market requirements instead of a one-size-fits-all approach.



### Platform

With a mature tech-spine that supports integral systems, such as loan origination, management, regular NPA tracking, financial reporting, and expense processing, our platform is designed to deliver speed, efficiency, and intelligence across the entire loan lifecycle. Equipped with NLP-powered chatbots, real-time customer-agent call patching, and data-driven decision-making engines, we have transitioned to a completely digital onboarding process, particularly for our retail customers. The digital enablement further allows us to reduce acquisition cost, as we are widening our sourcing channels such as community-driven sales, digital journeys, and connector-based models.



### Process

Our process is rooted in our commitment to ensure seamless customer onboarding and effective servicing, all while remaining compliant and maintaining transparency. Relying on an empirical approach, we acquire the right customers through a rigorous internal credit risk assessment, and behavioural and collection scorecards, each independently validated and powered by machine learning algorithms. These scorecards inform every step of the decision-making process, from risk-based pricing during onboarding to tailored pre-approved offers and extending to prioritise collection strategies through early warning signals. The scorecard-driven system ensures consistency and objectivity while allowing us to personalise engagement across the customer lifecycle. Underpinning this entire process is a strong culture of compliance and governance, with clearly defined defence lines that ensure a secure customer journey.

## Product portfolio



**Our product portfolio reflects our commitment to being a comprehensive lending partner to India's diverse enterprises. With a robust suite of 12 distinct offerings, we maintain a balanced mix across Corporate, MSME, and Retail segments, which ensures minimal concentration risk.**

Our solutions are further tailored to regional and segment-specific requirements, allowing us to cater to the diverse credit needs of various income segments. This, coupled with the introduction of high-margin secured offerings in the retail segment, enables us to drive momentum against India's evolving economic backdrop.

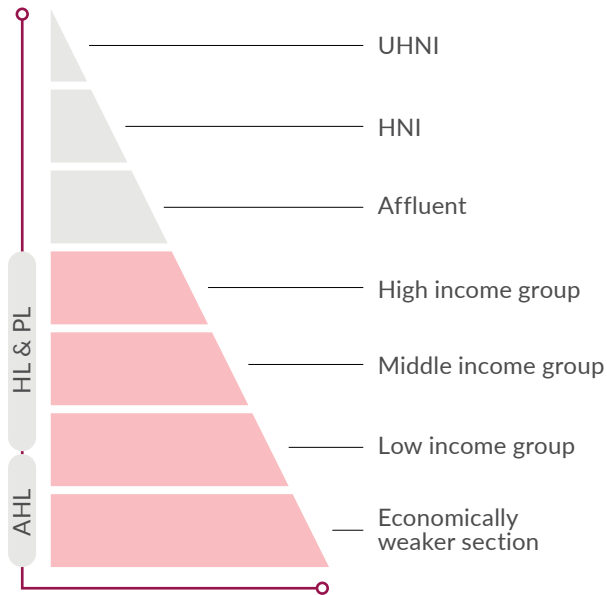


# Lending partner to enterprises of India



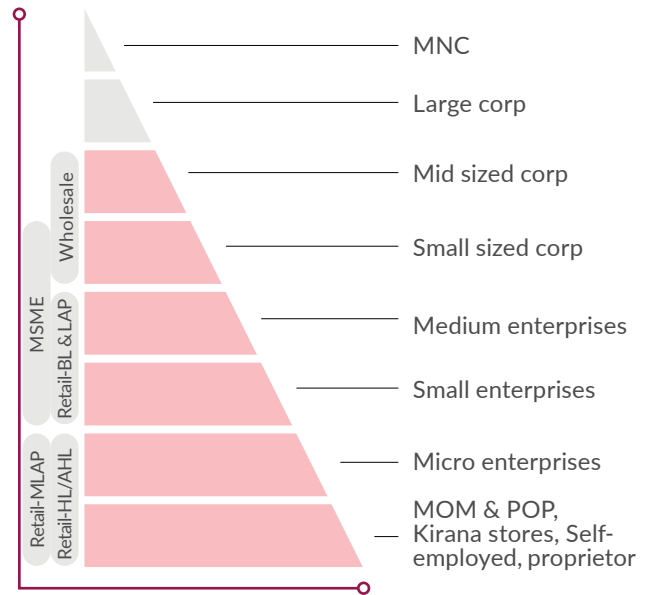
## We have a clear, tailored product strategy for our target customer segments

### Salaried individuals



● AFL's target segment

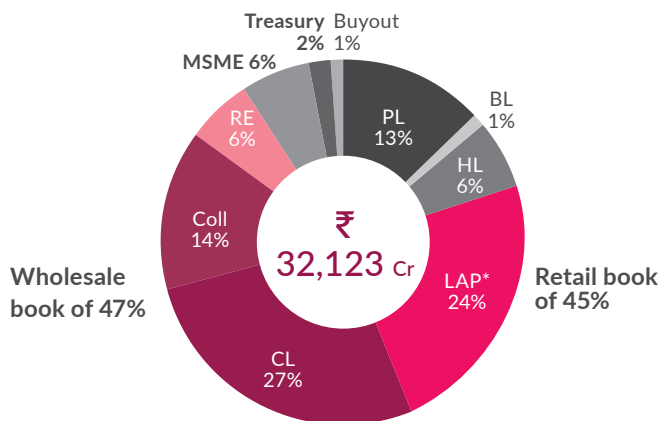
### Enterprise



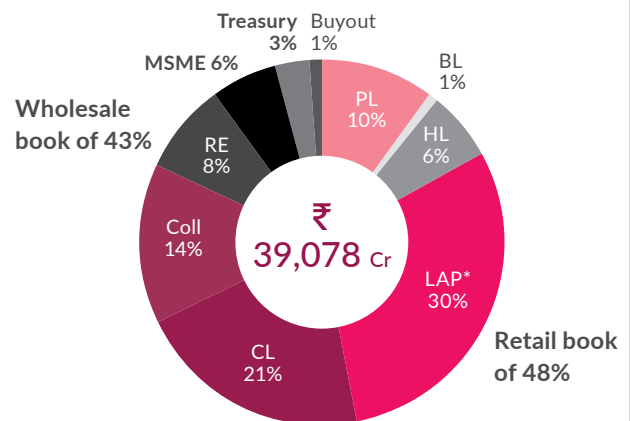
## Portfolio

(as a % of total book)

### Mar 24 (as a % of total book)



### Mar 25 (as a % of total book)



\*LAP includes M-LAP

M-LAP share increased from 0.3% in FY24 to 1% in FY25

#### List of abbreviations:

PL: Personal Loan  
BL: Business Loan

HL: Home Loan  
LAP: Loan Against Property

M-LAP: Micro - Loan Against Property

CL: Corporate Loan  
Coll: Collateralised loan

RE: Real Estate Loan  
AHL: Affordable Home Loan

Well-diversified portfolio with low to no dependence on any single product portfolio



### Wholesale banking

Wholesale banking is the cornerstone of our lending operations, with a foundation dating back to the organisation's foundation. One of the primary strengths of the business is its flexible and adaptive product range that enables it to navigate macroeconomic changes. Simultaneously, the products are tailored with a strong focus on customer requirements.

The product range can be classified into three broad heads:

#### Corporate loans

Term loan facilities to corporates of varying size (mid, large and strategic conglomerates) across 25+ sectors with tenures tailored to cash-flow-based underwriting.

#### Collateralised loans

100% secured loans backed by a diverse set of asset classes and an identified set of cash-flow.

#### Real estate loans

Primarily focused on ready-inventory/late-stage projects, providing higher visibility of cash flows, making the loans self-liquidating. The exposure is currently limited to select micro-markets and Tier I cities.

### MSME Business

Our MSME portfolio launch reflects our strategic emphasis on granular and diversified lending. Targeted at MSMEs, we offer smaller ticket secured loans (up to ₹ 25 Crore) designed to provide customised solutions for meeting their growth capital needs. We focus on Tier II and III cities to access high potential markets, currently underserved by offering flexible and tailored financing solutions to support clients' expansion journeys.

We maintain a strong strategic focus on MSME, recognising its critical role in supporting portfolio stability and granularity. To scale and sustain our growth, we have established two distinct business groups:

1. **Business Banking Group (BBG):** A sector-agnostic book that focuses on transaction size from ₹ 7 Crore up to ₹ 25 Crore with an Average Ticket Size of ₹ 10 Crore

2. **Retail Business Banking (RBB):** Book targeting smaller ticket transactions from ₹ 1 Crore up to ₹ 7 Crore with an Average Ticket Size of ₹ 2 to 3 Crore. The portfolio will have a dedicated focus on the RUSU market and sectors like education, healthcare and hospitality.

### Retail Finance

Our Retail Finance segment continues to be a strong growth engine, contributing 48% to our overall loan book. Our offerings are thoughtfully designed to serve the diverse financial needs of salaried individuals, self-employed professionals, and MSMEs. With a range of comprehensive solutions, we address both personal and business requirements.

#### LAP

Include loan up to ₹ 10 Crore and tenure up to 20 years against a wide range of properties, primarily focused on self-employed borrowers. These loans are offered through digital

processes as allowed by extant guidelines to borrowers based on robust credit assessment at attractive interest rates. Borrowers are assessed based on comprehensive, documented /income surrogates by obtaining documents directly from GOI sources such as ITR Portal, GSTIN, Bank statements using AA (account aggregator framework), thus ensuring error-free processing and NIL fabricated income document submission.

#### Micro-LAP

Intending to fulfil the credit requirements of 'Micro enterprises' of the MSME universe, we started our specially curated product

offering in FY 2024-25. This will address both the underserved and unserved segments of the micro enterprises by our dedicated direct originations team. Credit assessment will be a judicious mix of judgemental, income, and surrogate-based assessment of the target segment, with due emphasis placed on granular originations, faster credit dispensation.

#### Home loans

We offer loans up to ₹ 10 Crore for the purchase of an apartment, residential plot, construction of a new house, renovation/extension of an existing house and balance transfer of home loans from another financial



institution. The tenure of this loan ranges up to 30 years.

### Personal loans

We provide unsecured loans of up to ₹ 50 Lakh with tenure extending up to 84 months for personal financial needs. In addition to our digital processing offering a seamless experience, customers can also avail of our balance transfer and top-up facilities.

### Business loans

Our collateral-free business loans are tailored to address the unique requirements of MSMEs and small businesses. With faster turnaround time and attractive interest rates, these loans can range up to ₹ 50 Lakh with a maximum tenure of 48 months.

### Affordable home loans

We plan to set up a dedicated vertical to leverage the burgeoning opportunities in the affordable housing sector in FY 2025-26. We will capitalise on the strong technology stack and deep insights into the self-employed segment to deliver a distinct and differentiated product offering.

## What makes us win across segments

### Wholesale

- Customised solutions tailor-made to the client's financing needs
- Diversified offerings across tenure, quantum, sector, customer size, security structure, etc.
- Robust framework and processes that have stood the test of time and cycles
- Our expertise lies in 'service and execution' within competitive turnaround time, enabling us to support our clients' time-sensitive requirements
- Strong, long-standing and stable core team
- Focus on funding cash-flow backed structures

### MSME

- Expertise in understanding business requirements and providing relevant tailor-made solutions
- Efficient execution and quick turnaround time
- Pan-India geographic presence

### Retail

- Judicious mix of income/income surrogate credit assessment methods based on the borrower's profile
- Well developed expertise in assessing varied self-employed segment customer profiles
- Archetype-based customer acquisition approach leading to tailored solutions
- Superior asset quality

## Our plan for FY 2025-26

Moving forward, we aim to granularise our product mix with a strong focus on targeted market segmentation.

Focus area	Key initiatives	Target outcome
<b>Revitalise and expand</b>	<ul style="list-style-type: none"> <li>• Launch Axis Finance DISHA Home Loans™ as a variant and targeted at lower income group and economically weaker sections</li> <li>• Re-pivot existing products- namely Business Loans and Micro-LAP</li> <li>• Drive customer acquisition through direct origination, leveraging technology to optimise the operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Granular product offerings in the retail and MSME segments</li> <li>• Granularisation of the book with increased focus on the retail and the MSME segments</li> </ul>
<b>Sharpen MSME focus</b>	<p>Expand focus on small and micro enterprises to enhance portfolio granularity by re-pivoting of the MSME book into sub-categories to cater to diverse and large opportunity that MSME lending offers:</p> <ul style="list-style-type: none"> <li>• Retail business banking (₹ 1 to ₹ 7 Crore)</li> <li>• Business banking group (₹ 7 to ₹ 25 Crore)</li> </ul>	<ul style="list-style-type: none"> <li>• Curated offering for focus segments</li> <li>• Increase the share of wallet in the focus segment</li> </ul>
<b>RUSU offering</b>	<ul style="list-style-type: none"> <li>• Identify key select markets in RUSU locations for heightened engagement</li> <li>• Customised and Hyper-localised product offerings</li> </ul>	<p>Heightened engagement in and an increased share of wallet in the chosen markets</p>

# Snapshot of our value creation process

With a robust business model, we are on our way to becoming the lending partner to enterprises in India. In line with our commitment, we are constantly leveraging technology in addition to our customer-centric approach to sustain momentum and create value for all our stakeholders.

### Capital

### > Stakeholder relationships we depend on



#### Financial Capital

Total revenue: ₹4,100.63 Crore  
AUM: ₹41,583 Crore  
RoE: 13.92%



#### Human Capital

No of employees: 1,654  
Training hours: 51,394



#### Intellectual Capital

Process Masters Workshop:  
100% SOP training completed  
ACE: Behavioural programme for Senior Managers  
Ascend: Behavioural program for AVP & DVP  
HPM: Behavioural program for supervisory roles



#### Manufactured Capital

59 branches pan-India



#### Social and relationship capital

Employee and CSR initiatives

#### Employees

We provide a positive work environment for our people and engage with them regularly, bringing their best to work



#### Customers

We cater to a broad customer base including individuals, small, medium, and large businesses, to meet their financial needs

#### Business partners

We work with various direct and indirect distribution partners. We work with them closely, and wherever required, providing them with insights to enhance their business efficiency



#### Government and regulators

We follow good governance practices and are compliant with all regulations relevant

#### Communities

We empower our communities by participating in social welfare programmes of the Axis Bank Foundation



## > Value creation process

## > Outcomes

### Operating landscape

Analysing macroeconomic environment and industry trends

### Strategic priorities

- Scale up Retail/MSME business
- Strengthening core portfolio in wholesale business

### Generating employment opportunities

Empowering employees to delight customers and build a fulfilling career and life, upskilling, career development opportunities

### Product design

- Hyper-localization
- Product features based on data led insights
- Nimble, agile product management

### Product distribution

Phygital network of branches, distribution partners and platforms

### Investments

- Comprehensive Asset Liability Management (ALM) framework
- Prudent treasury management
- Digitally-driven treasury excellence

### Operations

- 50+ Robotic process automations (RPA's) ushering efficiency
- Plethora of host-to-host connectivity to minimize manual intervention

### Additional services

- Dedicated contact centres
- Delivery through digital platforms

Growth in total revenue: **30%**

Strong Employee Retention

Certified '**Great Place to Work**' for second year in a row

**99%** Digital invoicing with focus on reducing carbon footprint

**99%** Customer **complaints closed** within regulatory TAT

**Mutually beneficial, reliable, long-term partnerships**

**Timely compliance** with regulations, transparent business practices, and payment of taxes on time

30,000+ Households impacted through various sustainable livelihood programmes

# Tech-led transformation



Technology is the backbone of our operations, empowering us to deliver efficient and customer-centric solutions. Our sturdy tech infrastructure, designed for scalability, integrates advanced tools, such as Video KYC while customer onboarding, Customer Portal & WhatsApp channel with host of services (e.g. Apply for new loan, Track your loan application, Raise a service request, Receive a Welcome Kit, Loan statement, repayment schedule & interest certificate, Find a nearest branch) and allows us to optimise risk-assessment processes, streamline workflows and drive cost efficiency.

Additionally, our digitally forward platforms enhance every step of the customer journey, spanning the entire loan lifecycle from initiation to disbursement and equip us with advanced monitoring and collection systems. We are planning to embed digital capabilities across the loan lifecycle—from seamless video KYC during onboarding to an intuitive customer portal and WhatsApp channel offering a suite of self-service options. Customers can apply for new loans, track applications, raise service requests, access welcome kits, download loan statements, repayment schedules, and interest certificates, or locate the nearest branch—all through a unified interface.



## Our digital edge





Our technology-led platforms enhance every stage of the customer journey, streamline workflows, improve turnaround times, and drive cost efficiency. In addition, we have strengthened our monitoring and collection systems with data-driven insights, further reinforcing operational resilience.

### Seamless solicitation channels

As digital adoption rises across the financial landscape, customers increasingly seek seamless, digital-first interactions. In response, we have expanded our solicitation channels and marked our presence across digital platforms, such as websites, and social media, all of which complement our traditional touchpoints. Additionally, our data-driven scorecards enable us to make informed decisions and offer a personalised customer experience.

### Smart loan processing

Our advanced loan processing system relies heavily on technology for speed and efficiency. From the initial application to eligibility assessment engines, every stage is powered by advanced tools. The integration of straight-through processing enables seamless approvals with minimal to no manual intervention, while digital agreements and automated communications via SMS, bots, and emails ensure a frictionless customer experience.

### Data-driven collection strategy

We have implemented a robust digital collection strategy integrating advanced analytics and scorecard-based decision-making to improve operational efficiency. By leveraging risk-based segmentation and predictive analytics, we gain insights into customer repayment behaviour, enabling us to take judicious and effective actions. This approach is further reinforced by tools, such as behaviour and collection scorecards, ensuring precise targeting and monitoring.

Additionally, we have a personalised communication strategy tailored to unique customer personas, delivered through digital channels, such as WhatsApp and SMS. These interactions are supported by electronic nudges, including sending payment links that enhance convenience and encourage timely repayments. Early warning signals and

collection prioritisation mechanisms enable efficient resource allocation and proactive intervention.

## Our digital accomplishments

Focus area	Projects accomplished	Impact
<b>Accelerate instant credit</b>	<b>Payment APIs</b>	<ul style="list-style-type: none"> <li>Complete API integration across all payment modes</li> <li>Credits reflect in the loan SOA within 3 minutes of repayment</li> </ul>
<b>Partner onboarding</b>	<b>Via the customer portal</b>	<ul style="list-style-type: none"> <li>Simplified partner onboarding</li> <li>Accelerated partner activation within 48 hours of document submission</li> </ul>
<b>Faster processing</b>	<b>Personal Discussion Report (PD) Upload</b>	<ul style="list-style-type: none"> <li>PD templates tailored for targeted business segments</li> </ul>
<b>Simplify the loan top-up</b>	<ul style="list-style-type: none"> <li>E-mail BOT</li> <li>Account aggregator</li> <li>100% digital process for all retail products ( to the extent allowed by current regulatory guidelines )</li> </ul>	<ul style="list-style-type: none"> <li>Eliminates manual re-entry by duplicating app IDs</li> <li>Saves 15 minutes per process</li> </ul>
<b>Collection efficiency</b>	<b>Collection services dashboard</b>	<ul style="list-style-type: none"> <li>Equips collection agencies with performance tracking options</li> </ul>

## Digital initiatives in progress

We are consistently strengthening our digital backbone with transformative initiatives aimed at driving efficiency, customisation, and security.

Focus area	Key initiatives	Target outcome
<b>System enhancements</b>	<ul style="list-style-type: none"> <li>Develop a robust Business Rules Engine (BRE) to streamline lending processes and improve risk assessment and underwriting</li> <li>Introduce self-service journeys for pre-approved loans, enabling consent-driven disbursements</li> </ul>	Improve the acquisition process and data-driven portfolio management
<b>Data analytics</b>	<ul style="list-style-type: none"> <li>Launch the acquisition, behavioural, and collection (ABC) scorecards for improved customer lifecycle insights</li> <li>Build advanced dashboards and comprehensive reporting analytics for improved decision-making</li> </ul>	
<b>Collection module</b>	<ul style="list-style-type: none"> <li>Integrate AI/ML-powered allocation engine</li> <li>Employ settlement and legal module</li> <li>Expand communication and digital collection channels</li> </ul>	Sustain portfolio health

## Customer centricity



**AFL embraces customer centricity, emphasising it through multiple customer channels, such as call, email, WhatsApp, and web portal, which allows customers to interact and engage with us through any of these modes.**

AFL aspires to traverse the journey from customer experience to customer delight by leveraging the following:

- Service delivery through the AI mechanism
- Zoho CRM and Knowlarity Dialer integration
- Integration of Sentiment analysis – Gen AI
- Service Quality Bots
- Instant messages to customers about their queries and requests



# Customer first, always

The deployment of AI and Gen AI solutions in our contact centre and grievance redressal processes has significantly enhanced efficiency and ensured consistent, high-quality customer service. We have effectively harnessed AI solutions to analyse customer interactions, identify systemic improvement areas, and implement strategic initiatives. This has led to faster turnaround times and more seamless customer experiences.

On the anvil are Email and WhatsApp bots, which will further enhance the accuracy and efficiency of customer responses.

# 100%

Service quality assurance coverage on calls using Gen AI

## New introduction

- We have introduced hygiene checks for transaction monitoring of overdue payments received
- Seamless onboarding will be enabled through a Video-KYC Process Flow for effortless customer onboarding

### Speech to text

Call conversation is transcribed using speech-to-text technology, and the transcript is available in CRM

#### Impact

- Audit efficiency enhanced to <10 mins per call
- Improved resolution efficiency
- 20% reduction in AHT

# 20%

Reduction in Average Handling Time (AHT) through speech-to-text

### Service quality

Auto evaluations of call channel interactions through Gen AI - Service Quality Automations

#### Impact

- 100% Audit coverage for calls
- Customised immediate agent feedback on each call

### Sentiment analysis

Auto tagging of Query, Request and Complaint based on customer sentiments

#### Impact

- Boosted efficiency by automating ticket categorisation and reducing manual workload

### Complaints resolution

AFL has established strong processes to efficiently register customer complaints and ensure swift grievance resolution with quick TATs.

We have a resilient governance mechanism to track and monitor customer grievances, ensuring full compliance with all regulatory requirements and resolution of all complaints within the regulatory TAT of 30 days to avoid escalation to Management / PNO / RBI.

### Customer feedback

We use the NPS programme to cover customer interactions and track customer satisfaction and loyalty, focusing on translating feedback into actionable improvements. AFL has established a strong feedback loop that ensures customer voices are heard and actively engages with them to understand the challenges they face.

Axis Finance Customer Services Team completed the ISO Certification, and the Complaint Management team has now become ISO 100002:2018 Certified.

## Marketing efforts



In FY 2024-25, marketing focused on strengthening brand visibility, fostering meaningful customer engagement and driving alignment across internal and external stakeholders. By focusing on digital campaigns and on-ground engagement, we aimed to build trust, drive relevance, and strengthen brand awareness among our customers. Across every touchpoint—whether digital, on-ground, or through internal employee communication—our objective was to engage with clarity and reinforce our commitment to those we serve.



# Amplifying our story





### Strengthening our digital presence



This year, we have sharpened our focus on digital channels to keep pace with changing customer behaviour. Our presence on platforms like Instagram, Facebook and LinkedIn increased through targeted content, interactive campaigns and product storytelling. These initiatives were crafted not just to increase visibility but also to drive action by educating potential customers, generating leads and creating deeper engagement.

### Building deeper on ground connections



While digital led the way in reach, on-ground marketing continued to be critical in establishing trust, particularly in Tier III and IV markets. Our focus remained on high-potential segments such as shop-owners, small business owners and the trader community. With focused outreach, localised engagement and participation in exhibitions tailored for MSMEs, we were able to connect with these audiences more meaningfully. These efforts helped us strengthen our presence and brought Axis Finance closer to the communities we serve.

### Strengthening internal communication



We believe that impactful communication begins from within the organisation. This year, we placed strong emphasis on internal marketing and employee communication. From regular updates on product launches and policy changes to celebrating milestones and driving awareness through digital screens, mailers and WhatsApp broadcasts, we ensured our teams were always informed and aligned. Our internal campaigns also focused on employee engagement, developing a culture of transparency, connection and shared purpose across departments and locations.

The year was defined by a balanced and purposeful marketing approach that combined digital growth with ground-level engagement. Our marketing efforts led to stronger brand visibility, deeper customer engagement and improved alignment across internal teams. These outcomes helped us strengthen stakeholder relationships, build awareness in priority markets, and position us for wider market access.

# Staying the course



**At AFL, we are driven by a singular vision—to become the preferred lending partner across all segments we serve. Over the past year, we have advanced this goal by focusing on underserved markets, strengthening our digital capabilities, and leveraging the collaborative power of the One Axis ecosystem."**

### **Dear Shareholders,**

As the year draws to a close, it is with immense pride that I present the Annual Report for FY 2024-25. This year has been a remarkable journey for Axis Finance Limited (AFL), marked by innovation, resilience, and a steadfast commitment to excellence. I extend my heartfelt gratitude to all our stakeholders for their unwavering trust and support, which have been instrumental in driving our success and shaping our aspirations for the future.

Whether it is through enhancing operational efficiencies via generative AI or expanding our footprint into Tier II, III, and IV cities, our efforts are designed to empower businesses and

individuals alike. As we move forward, we remain committed to responsible growth, maintaining best-in-class asset quality, and creating lasting value for all stakeholders.

India's economic trajectory continues to offer a robust platform for growth. With the real GDP and GVA projected to grow by 6.4% in FY 2024-25, the country is poised to maintain its position as one of the fastest-growing major economies in the world. Government-led initiatives, ranging from infrastructure investments to tax reforms and MSME-focused programmes, are driving a resurgence in consumer spending and fostering greater credit demand across sectors. For NBFCs, these developments

present a unique opportunity to expand credit access and fuel entrepreneurial aspirations.

Over the past decade, NBFCs have emerged as pivotal players in India's financial ecosystem, outpacing systemic credit growth for several years. The sector is poised for robust growth, with credit expected to expand at a compound annual growth rate of 15–17% between FY 2023-24 and FY 2026-27. NBFCs continue to stand out for their ability to serve diverse customer segments, including those without established credit histories, thereby effectively bringing them into the formal financial fold and fostering financial inclusion.

The fundamentals of the sector are steadily improving, supported by easing macroeconomic challenges and a favourable regulatory environment. The RBI has taken a constructive stance by reducing risk weights on bank lending to NBFCs, facilitating greater access to funding, particularly for smaller players. Additionally, the anticipated interest rate reduction of 50 to 75 bps during this financial year is expected to provide a much-needed boost to net interest margins (NIMs). At Axis Finance, we leverage these tailwinds to strengthen our position as a leading NBFC, committed to delivering inclusive financial solutions and driving growth across all the segments we serve.

In FY 2024-25, we continued to deliver steady and well-rounded growth, supported by a carefully constructed, diversified balance sheet and a strong mix of secured and unsecured lending products. Our focus on the retail and MSME segments, now forming most of our loan book, has been instrumental in driving this momentum. With the rollout of hyper-localised solutions tailored to specific customer needs, we are scaling these segments further while maintaining a sharp focus on asset quality and profitability. The recent launch of high-margin secured retail offerings presents a significant opportunity to enhance yields and deepen our presence in priority markets. Our 22% YoY growth, outperforming the industry average of 19%, reflects this focused approach. As we move forward, we remain committed to strengthening our portfolio, expanding thoughtfully, and delivering consistent value across all key performance metrics.

As we advance our journey towards becoming the lending partner of choice across customer segments, our firm focus is on building a portfolio supporting sustainable, margin-accretive growth. This involves a sharper emphasis on products that enhance net interest margins, alongside a concerted push to embed technology across the entire loan lifecycle, thereby delivering a seamless and frictionless

customer experience. The core of this strategy is a strengthened analytics framework enabling more precise, data-driven underwriting. By adopting an innovation-led, granular approach to product development, we aim to serve diverse needs with agility, while maintaining operational efficiency and credit discipline.

Complementing our product and digital focus is a strong push to deepen our physical presence across high-potential markets. With nearly 40% of our portfolio anchored in rural and semi-urban (RUSU) geographies, we see a compelling opportunity to further expand our footprint by doubling our touchpoints. Furthermore, our RUSU-focused distribution strategy aligns closely with the broader India growth story, where rising aspirations and underserved credit demand present significant potential.

While we continue to embrace a digital-first approach, we remain equally committed to fostering a culture that is deeply human in its orientation. At Axis Finance, people are at the heart of our transformation journey. We invest consistently in building capabilities across all organisational levels, ensuring that our teams are equipped to thrive in an evolving financial landscape. By offering strong learning platforms, leadership development opportunities, and a collaborative work environment, we enable our people to grow alongside the business.

In line with our efforts to build deeper connections with customers, we continue strengthening our marketing approach through a balanced integration of digital and traditional channels. Data-led digital initiatives engage customers with greater precision, while our on-ground activations and regionally tailored campaigns form a stronger connection across markets, complementing our distribution and product efforts, helping us build enduring relationships and further our reach.

# ₹41,583

## Crore

Gross AUM

In our continued effort to build a future-ready organisation, strong governance and regulatory discipline remain central to our operating philosophy. The appointment of Mr. Sai Giridhar, our new Managing Director and CEO, reaffirms our commitment to continuity in leadership with a clear focus on long-term value creation, integrity, and accountability. Our governance framework is designed for agile yet responsible decision-making, upholding the highest compliance standards, transparency, and risk oversight. These foundational principles enable us to confidently navigate a dynamic environment while reinforcing trust among our stakeholders and aligning with the expectations of a regulated, systemically important NBFC.

Alongside our business objectives, we remain committed to making a meaningful impact beyond financial metrics. We continue to support inclusive growth through focused environmental initiatives and community development programmes.

With a strong belief in our strategy and unwavering dedication to our values, we eagerly anticipate the opportunities lying ahead. In closing, on behalf of the entire Board of Directors and the Leadership team, I would like to extend our heartfelt thanks to all our stakeholders for their ongoing trust.

Best regards,

**Amitabh Chaudhry**  
Chairman

# At the edge of possibility



//

**At Axis Finance, our ambition is to transition from the middle to the upper layer of India's NBFC landscape and be recognised among the top ten in the sector. Our strategy to realise this vision is two-fold: consistent, sustainable growth of the loan books and achievement of best-in-class return metrics that enhance both our increased scale and efficiency."**

### **Dear Shareholders,**

It is a privilege to step into the position of Managing Director and CEO of Axis Finance. I am honoured to lead an organisation built on a strong foundation of values, performance, and purpose. Over the years, the Company has demonstrated consistent financial strength and operational resilience, qualities that continue to validate Axis Finance's reputation and relevance. I look forward to building on this legacy and contributing to the journey of long-term, sustainable growth.

Alongside the enduring strength of our institutional foundation, the broader economic environment continues to offer compelling opportunities. Despite global volatility, India has maintained stable and resilient growth, supported by forward-looking reforms, rising consumption, and digital inclusion. These structural drivers are fuelling credit demand across segments, opening new avenues for NBFCs to play a meaningful role. At Axis Finance, we are strategically aligned to this momentum with a focused model and an agile mindset, allowing us to consistently deliver value across the evolving landscape.

Our journey at Axis Finance is driven by a relentless focus on delivering sustainable growth and creating value across all segments we serve. Guided by the GPS strategy, we strive to balance profitability with operational excellence. As specialists in Corporate, MSME, and Retail lending, we offer tailored financial solutions, facilitating loans ranging from ₹ 3 Lakh to ₹ 350 Crore per transaction. This extensive range of offerings reinforces our position as a trusted financial partner to enterprises and individuals throughout India.

In FY 2024-25, we delivered a PAT growth of 9%. Our provision



coverage ratio (PCR) stood strong at 49.67%, as against 40% in March 2024, clearly demonstrating a strengthened balance sheet. Additionally, our diversified debt structure, encompassing term loans, external commercial borrowings (ECBs), non-convertible debentures (NCDs), and commercial papers (CPs), ensures financial agility and resilience, enabling us to seize emerging opportunities with confidence. In a competitive talent landscape, we have successfully maintained flat attrition levels, reflecting the strength of our people-first culture and resilient workforce.

At Axis Finance, our ambition is to transition from the middle to the upper layer of India's NBFC landscape and be recognised among the top ten in the sector. Our strategy to realise this vision is two-fold: consistent, sustainable growth of the loan books and achievement of best-in-class return metrics that enhance both our increased scale and efficiency.

To realise this goal, we are sharpening our product architecture and recalibrating our portfolio mix. Our strategy is a deeper focus on the self-employed segment, offering both secured and unsecured products designed for their specific needs. We will also pursue strategic growth in our MSME book through a more segmented, need-based approach. By reorganising the MSME business into retail business banking and business banking groups, we aim to deliver targeted solutions with greater precision. In retail, we aim to become the preferred lender for the self-employed segment, while consciously reducing unsecured exposure from 30% to 18% work towards ROA greater than 2.4%. In the Corporate Segment, we are pivoting towards mid-market and MSME borrowers, the key drivers of India's economic momentum. Our focus further extends to include high-opportunity clusters in priority sectors such as education, healthcare, and hospitality, as we work towards consistently delivering best-in-class on return on equity exceeding 20%.

A key pillar of our growth strategy is strengthening and expanding our distribution network. While we continue to enhance productivity in existing markets, a concerted effort is underway to deepen our presence across RUSU geographies. Our strong direct-to-customer model, currently well-established in retail, will be gradually extended across all business segments to ensure greater reach and customer ownership. With over 59 local branches, 225+ active touchpoints, and a growing base of more than 3 Lakh active clients, we are well-positioned to scale. Over the next three years, we aim to expand our footprint to 400+ touchpoints, driving greater accessibility and inclusion across the country.

Complementing our expanding physical footprint is a strong and evolving digital backbone that enables us to operate with greater speed, precision, and scale. We are consistently investing in technology to elevate operational efficiency and deliver frictionless customer experiences across the loan lifecycle. Automation is being embedded across processes to ensure faster disbursements with robust controls, while our underwriting framework is now digitally enabled with best-in-class turnaround times. Advanced analytics, supported by AI-driven scorecards and rule-based risk triggers, are strengthening credit decisions and enhancing portfolio quality. We are also building a digitally powered collections model and an AI/ML-backed allocation engine to drive smarter recoveries. Personalised engagement through NLP-enabled chatbots and digital sourcing partnerships further reinforces our goal of creating a responsive, intelligent, and scalable ecosystem for future growth.

Our integration within the wider Axis ecosystem continues to empower us to deliver greater value through seamless integration and shared capabilities. Access to Axis Bank's deep research and economic insights further sharpens our ability to

respond to evolving market dynamics with agility and confidence.

A strong customer-first mindset underpins every aspect of our strategy. We are focused on building an assurance-driven culture that prioritises transparency, responsiveness, and proactive service. With digital adoption exceeding 50% and same-day resolution achieved in over a quarter of service requests, we aim to raise the bar on customer experience. We continue to track NPS closely to refine engagement strategies, while keeping customer complaints below 2% through a feedback mechanism.

Delivering meaningful customer outcomes begins with an engaged and empowered workforce. We continue to strengthen a culture rooted in values, where performance is driven by clarity, compliance, and purpose. Certified as a Great Place to Work, we are committed to sustaining a workplace that fosters ambition while ensuring employee well-being.

Purpose remains central to our progress. While our business has a limited direct environmental impact, we are mindful of our responsibility and continue to encourage green lending practices. In tandem with our environmental responsibility, our CSR efforts focus on fostering diversity, enabling skill development, and creating meaningful opportunities across communities.

As we move forward, I remain confident in our collective potential and am deeply thankful for the continued trust of all our stakeholders.

Best regards,

**Sai Giridhar**  
Managing Director & CEO

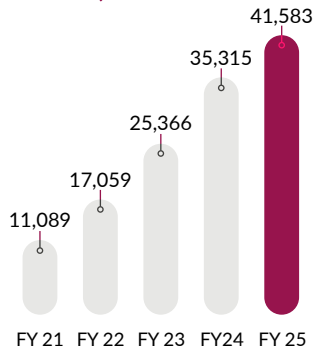
# Tracking our progress

We continue to drive consistent performance by aligning our efforts with well-defined objectives. As we close another financial year, we take pride in presenting our metrics, which reflect our unwavering commitment to excellence.



### Gross AUM (₹ in Crore)

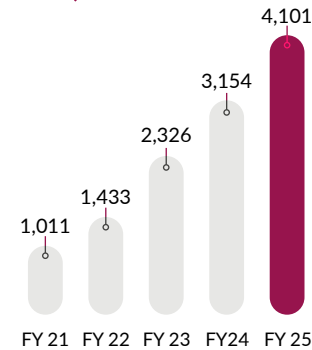
₹41,583



▲ 18% | ▲ 39%

### Total income (₹ in Crore)

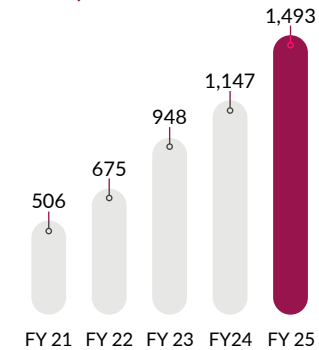
₹4,101



▲ 30% | ▲ 42%

### Net interest income (₹ in Crore)

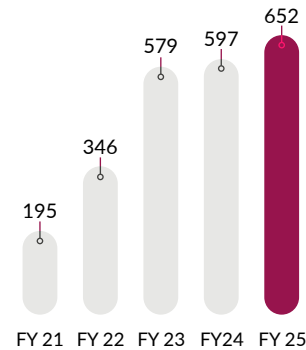
₹1,493



▲ 30% | ▲ 31%

### Profit after tax (₹ in Crore)

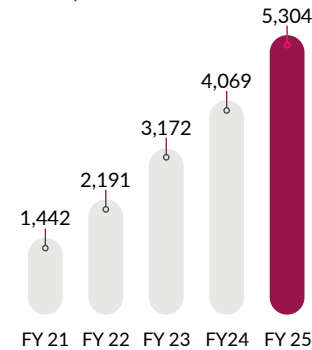
₹652



▲ 9% | ▲ 35%

### Net worth (₹ in Crore)

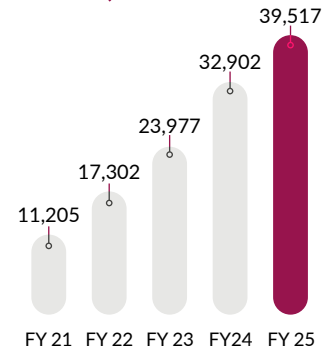
₹5,304



▲ 30% | ▲ 38%

### Total asset (₹ in Crore)

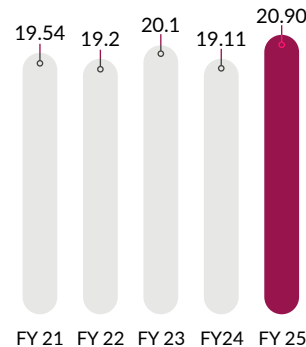
₹39,517



▲ 20% | ▲ 37%

### Capital adequacy ratio (Ratio)

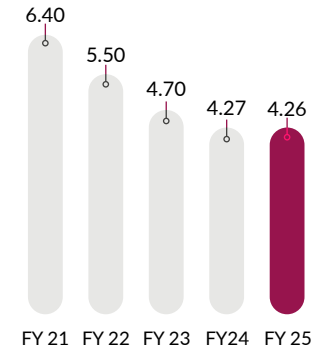
20.90



▲ 179

### Net interest margin (%)

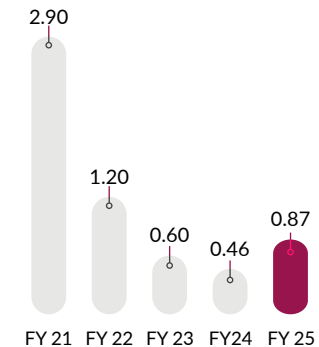
4.26%



▼ 1 bps

### GNPA (%)

0.87%



▲ 41 bps

■ YoY ■ 4-year CAGR ■ bps YoY

# Staying ahead in a dynamic landscape

**India's economic resilience continues to foster a favourable environment for growth, underpinned by sustained infrastructure investments and rising domestic consumption. Increasing demand across both urban and rural markets, driven by higher incomes and supportive tax policies, is creating meaningful opportunities for financial services.**

While global headwinds may impact private consumption in the near term, improving credit conditions and progressive regulatory reforms are setting the stage for long-term, broad-based economic expansion.

This evolving landscape positions financial institutions like ours to play a pivotal role in enabling growth and deepening financial inclusion.



### **Momentum in the NBFC sector**

The Indian NBFC sector is witnessing a steady revival, supported by a favourable regulatory environment and shift in policy stance. The RBI's recent rate cut, along with the commitment to maintaining systemic liquidity, lays a strong foundation for credit growth, projected at 10.8% in FY 2025-26.

Government-led initiatives to bolster the MSME ecosystem are expanding avenues further for credit deployment, creating new growth opportunities for NBFCs. As market conditions continue to improve, the sector is well-positioned to enhance credit access, strengthen India's financial infrastructure, and contribute meaningfully to the nation's economic progress.

# Major growth drivers

## Government boost to MSMEs

The Indian government is prioritising the MSME sector, recognising its pivotal role in economic development and employment generation. Targeted initiatives such as enhanced credit guarantees, reduced fees for priority sector lending, and a ₹ 5 Lakh credit card facility for micro enterprises registered on the Udyam portal are improving credit access for small businesses and first-time entrepreneurs.

The Union Budget for FY 2025–26 reinforces this focus with measures aimed at boosting labour-intensive industries and strengthening financial inclusion. These concerted efforts are expected to enhance credit flow, improve market integration, and lay a strong foundation for long-term growth in the MSME segment.

## Regulatory relief fuels credit expansion

Easing regulatory measures created a more conducive environment for credit growth. The deferral of changes to liquidity coverage ratios and the rollback of risk weights on bank loans to NBFC's have provided timely relief to lenders. Additionally, sustained liquidity through the RBI's open market operations and forex swaps has supported financial system stability and enhanced the transmission of lower policy rates.

This pro-growth regulatory approach is driving credit expansion and setting the foundation for sustained lending momentum across the sector.

## Digital shift in lending

The rapid digitisation of lending is reshaping the NBFC sector, enabling faster, more inclusive, and customer-centric financial services. Today, nearly 60% of NBFC loans are sanctioned through digital platforms, bridging credit gaps, particularly in underbanked regions.

As more institutions adopt technology across the loan lifecycle, NBFCs are increasingly positioned to meet borrowers at their convenience, significantly expanding reach and deepening financial inclusion.



### Our advantage

- Reorganise the MSME segment further into RBB and BBG for improved efficiency
- Our diversified exposure across MSME, retail, and wholesale segments enables us to effectively leverage the recent policy enhancements aimed at improving credit flow and operational support for MSMEs
- Leveraging market insight and expertise to deliver customised solutions to enterprises
- Ability to process and meet the credit requirements from micro enterprises to blue chip corporate



### Our advantage

- RBI's policy rate cuts, along with ample systemic liquidity through OMOs and forex swaps, have created a favourable funding environment, enabling NBFCs to access capital at reduced costs
- Efficient rate transmission, as lower cost of funds can be passed to borrowers, enhancing product competitiveness
- Credit demand boost with improved macro-outlook driving demand in personal loans, SME, and structured credit



### Our advantage

- Complete digital onboarding process for the retail segment
- Technology-powered faster turnaround time
- Personalised communication process enabled by NLP-chatbots
- Initiatives, such as the implementation of a comprehensive set of scorecards, to ensure a stronger analytics pillar



# Our growth blueprint

Our strategic approach is multifaceted, designed to support the dynamic needs of enterprises across India. With continuous investments in technology, combined with concentrated efforts behind the development and distribution of innovative products, we are well-poised to become the chosen lending partner to the nation's growth engines.



**Well-diversified  
and granular  
loan book**



**Sustainable growth  
with a pan-India  
presence**



**Process  
automation  
through  
digitisation**

### Initiative

- Expanding the product portfolio by scaling new products, such as Axis Finance DISHA Home Loans™, and M-LAP to cater to underserved segments
- Designing hyper-localised and customised solutions to meet the specific needs of a diverse customer base

### Achievement

- Reduced concentration risk
- Built a well-diversified product suite with low to no dependence on any single product, strengthening risk management and ensuring sustainable growth across segments

### Aim for FY 2025-26

- Scale the retail segments with differentiated product lines, such as Agri-PSL and Retail business banking
- Further categorise the MSME segment- RBB (1 to 7 Crore) and BBG (7 to 25 Crore)
- Increase Retail and MSME contribution

### Initiative

Introduction of existing product lines into the RUSU areas

### Achievement

**59 AFL**  
Office presence serving diverse customer base

### Aim for FY 2025-26

- Leverage the potential of digital process and technology to increase distribution in Rural and Semi-urban markets
- Increase geographical presence to 300+ locations

### Initiative

- 100% digitisation of the loan lifecycle in the retail segment to the extent allowed by regulatory guidelines
- Collection services dashboard

### Achievement

- Significant reduction in turnaround time
- Enhanced customer experience through out the loan life cycle

### Aim for FY 2025-26

- Launch of acquisition, behavioural, and collection (ABC) scorecards
- Leverage data-driven insights to maintain portfolio health
- Scorecard and BRE (Business Rule Engine) for enhancing quality sourcing and quick decisioning

## Environment

Financial institutions worldwide are recognising their role in promoting a low-carbon economy and addressing the risks of climate change. Even though our business operations have minimal environmental impact, we acknowledge the need to make meaningful contributions.



# Protecting what matters





Aligned with our environmental responsibility, we promote the cause through renewable energy financing, energy conservation, and operational eco-efficiency. Additionally, with most borrower agreements and vendor payments now e-signed, we are eliminating paper usage and are actively striving to expand our initiatives to support a sustainable future.

### **Responsible lending practices**

We recognise our responsibility to address critical financing gaps while promoting sustainability and social equity. We are actively incorporating sustainable lending practices by giving weightage to the ESG practices of our borrowers. Our focus areas include green loans and financing for sustainable and environmental segments. Our MICRO-LAP, unsecured business loans are

designed to ease the debt burden of micro and small enterprises, while our affordable home loans support the dreams and aspirations of upwardly mobile, ambition-driven borrowers.

### **E-waste management**

In partnership with Saahas, we drive awareness and action on responsible electronic waste management. To facilitate this, e-waste drop boxes have been placed, and collection

drives are conducted regularly, ensuring the responsible recycling of e-waste.

**4 Lakh+**  
Paper saved

## Social impact

Our true impact lies in the people we empower, the communities we uplift, and the customers we serve. From prioritising the well-being of our employees to cultivating enduring connections with our customers and local communities, we aim to build relationships that go beyond transactions.



### Empowering our people

Our people are our biggest strength, and we are committed to ensuring their well-being by fostering an inclusive workplace where every individual feels respected, valued, and empowered to thrive. Our Equal Employment Opportunity Policy further reflects our non-negotiable attitude towards any kind of discrimination based on race, gender, caste, or background, thereby instilling a fair and welcoming environment.

### How we win

- Experienced in leadership, building talent and driving results through mentorship
- Attracting the right talent for the right roles and retaining critical talent. Employee-centric and performance-oriented work culture fosters growth and development for employees.
- Focus on continuous learning through functional, regulatory and behavioural learning programmes

### Impact

- Enhanced productivity metrics, including improvements in AUM per employee, productivity per employee
- Reduced attrition and enhanced career progression for employees
- Recognised as a Great Place to Work.

# Value beyond numbers



# 1,654

Employees

# 652

New hires



**Great Place to Work  
certified for 2<sup>nd</sup>  
consecutive year**

## For our customers

In a world of increasing digital interconnectivity, safeguarding customer data is of crucial importance. We adhere to industry best practices, conduct regular risk assessments, and periodically test our digital infrastructure, all of which safeguards us from being vulnerable to external threats.

### Touching lives

We strive to create meaningful impact by supporting communities through various initiatives. The initiatives comprise of sustainable livelihoods, promoting education and providing therapies to individuals with cerebral palsy and multiple disabilities, healthcare by providing nutrition and dietary counselling to children suffering from cancer. Our efforts are focused on creating multiple livelihoods for the communities and working on well-being of individuals with Cerebral Palsy, multiple disabilities and for children suffering from cancer.

### Sustainable livelihood programme

In Partnership with Axis Bank Foundation, we work with the most underserved rural communities to create multiple sources of income, reducing dependency on limited livelihood avenues, such as farming and wage labour. Our initiatives include building and strengthening community institutions, natural resource management, agriculture and agriculture allied activities, livestock management, improving access to government entitlements and healthcare. These interventions provide impetus to households to increase their income, which is often utilised towards savings, children's education, family health, and scaling up or investing in new livelihood opportunities.

### Supporting individuals with cerebral palsy and multiple disabilities

In partnership with the Cerebral Palsy Association of India (CPAI), we provide holistic support to enhance the development and well-being of individuals with cerebral palsy and multiple disabilities. Therapies, such as physiotherapy, speech and sensory therapy help improve physical and mental well-being. Through education trips, interactive programmes, and life skills training (activities of daily living), this initiative supports personal growth and instils the special persons with a sense of confidence. The life skills (activities of daily living) prepare the special persons to contribute towards daily chores at home and provides satisfaction to the special persons of contributing towards the family activities.

### Supporting children suffering from cancer through nutrition

In Partnership with Cuddles Foundation, we provide nutritional aid to malnourished, underprivileged children undergoing cancer treatment at government or charitable hospitals in cities. The Nature of support provided is dietary counselling, assessment and nutrition management of children, ration baskets to children and families, health supplement to children and creating awareness on nutrition management among patients and their parents/ caregivers. If children suffering from cancer are nourished, their response to cancer treatment provided at hospitals improves and helps the recovery process.

# ₹13.51 Crore

Annual CSR expenditure

# 30,000+

Number of households impacted under sustainable livelihood programmes

# 170+

Special persons (children and adults) provided with 13,900+ therapy sessions

# 1,900+

Children (cumulative) provided with 10,500+ counselling sessions

## Robust governance

With experienced leadership at the helm, our governance framework is built on a foundation of expertise, transparency, and accountability. Guided by our long-tenured senior management, we uphold the highest standards across key areas, such as accounting, risk management, and regulatory adherence.



# The foundation of trust and accountability

## Meet our Board of Directors



**Amitabh Chaudhry**  
Chairman



**Sai Giridhar**  
Managing Director & CEO



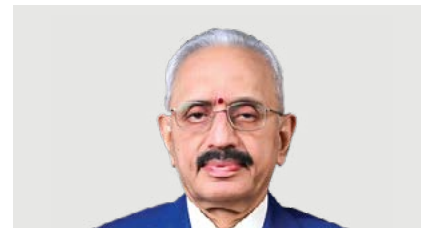
**Pallavi Kanchan**  
Independent Director



**B. Babu Rao**  
Independent Director



**U. B. Pravin Rao**  
Independent Director



**K. Narasimha Murthy**  
Independent Director



**Narasimhan Rajashekaran**  
Independent Director



**Deepak Maheshwari**  
Non-Executive Director



**Puneet Sharma**  
Non-Executive Director

## Accountability in action

Ethical governance is at the core of our operations. With a robust compliance framework in place, we are poised to navigate a dynamic regulatory landscape.

### Planning for continuity

- Succession planning
- Strong Board oversight

### Operational integrity

- Independent assurance functions
- Adherence to regulatory guidelines and policies

### Ethical practices

- Staff accountability and whistleblower framework
- Customer suitability policy
- Commitment to customer truth in lending practices

### Delivering results

- No regulatory penalties
- Enhanced transparency

# Corporate information

## Leadership Team

**Sai Giridhar**

Managing Director & CEO

**Vishal Sharan**

President and Business Head,  
Corporate Banking

**Kishore Babu**

Chief Risk Officer

**Balkrishna Thakur**

Chief Compliance Officer

**Amith Iyer**

Chief Financial Officer

**Balaji Natarajan**

Chief Operating Officer

**Rajneesh Kumar**

Company Secretary and Head, Legal

**Navalkumar Lad**

Chief Technology Officer

**Dominic Oliveira**

Chief Audit Executive

**Deepti Dayal**

Head, Corporate Credit

**Radhika Gordhandas**

Head, Human Resources

## Statutory Auditors

**M/s. G. M. Kapadia & Co.**

Chartered Accountants

**M/s. B. K. Khare & Co.**

Chartered Accountants

## Secretarial Auditors

**Virendra G. Bhatt,**

Practicing Company Secretary

## Internal Auditors

**Dominic Oliveira**

Chief Audit Executive

## Bankers

- Axis Bank Limited
- State Bank of India
- HDFC Bank Limited
- Bank of Baroda
- The Hongkong and Shanghai Banking Corporation Limited
- Federal Bank Limited
- ICICI Bank Limited
- Small Industries Development Bank of India
- Punjab & Sind Bank
- Mizuho Bank Limited
- Canara Bank
- Union Bank of India
- IDBI Bank
- Indian Bank
- Punjab National Bank
- Bank of India
- UCO Bank
- South Indian Bank Limited

## Registered and Corporate Office

Ground floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai - 400025.

Company's Debentures are listed at BSE Limited.

## CATALYST TRUSTEESHIP LIMITED

(Formerly known as GDA Trusteeship Limited)

901, 9<sup>th</sup> Floor, Tower - B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013  
Tel: +91-22-49220555

Fax: +91-22-49220505

Email: dt@ctltrustee.com

Website: www.catalysttrustee.com

## Registrar and Transfer Agent (For NCDs)

**MUFG INTIME INDIA PRIVATE LIMITED**  
(Formerly known as Link Intime India Private Limited)

Office: C101, Embassy 247,  
L B S Marg, Vikhroli West, Mumbai  
400 083

Tel: +91 22 49186000

Fax: +91 22 49186060

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

## Registrar and Share Transfer Agent (For Equity Shares)

**KFIN TECHNOLOGIES LIMITED**

(Formerly known as  
KFin Technologies Private Limited)  
Selenium Building,  
Tower - B, Plot No 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad, Telangana - 500032

Tel No.: +91 40-6716 2222

Email: karisma@kfintech.com



# Statutory reports

**38** Board's Report

**82** Management Discussion and Analysis

**106** Notice



# Board's Report

To,

The Members of

Axis Finance Limited

Your Directors take pleasure in presenting the 30<sup>th</sup> Annual Report on the business, operations and state of affairs of Axis Finance Limited ('your Company / the Company') together with the audited financial statements of the Company for the financial year ended March 31, 2025.

## FINANCIAL PERFORMANCE OF THE COMPANY

The highlights of the Financial Performance of the Company for the Financial Year ('FY') 2025 are as under:

(₹ in Crore)		
Particulars	FY 2024-25	FY 2023-24
<b>Total Revenue</b>	<b>4,100.64</b>	<b>3,154.13</b>
Total Expenditure	3,223.44	2,359.58
<b>Profit/(Loss) before Taxation</b>	<b>877.20</b>	<b>794.55</b>
Tax expenses / (Credit)	224.73	197.35
<b>Profit/(Loss) after Taxation</b>	<b>652.47</b>	<b>597.20</b>
Other comprehensive income	(15.58)	(0.99)
<b>Total Comprehensive Income for the year</b>	<b>636.89</b>	<b>596.21</b>
Balance brought forward from previous year	1,636.95	1,159.20
<b>Profit available for appropriation</b>		
Less: Appropriations		
- Final Equity Dividend	-	-
- Tax on Equity Dividends	-	-
- Previous Year Tax on Equity Dividends	-	-
- General Reserve	-	-
- Transfer to Statutory Reserve	130.50	119.45
<b>Surplus carried to the Balance Sheet</b>	<b>2,158.92</b>	<b>1,636.95</b>

Notes-The figures mentioned in the table above are extracted from the financials of the Company

The financial statements for the financial year under review, forming part of this Annual Report, have been prepared in accordance with IND-AS notified under Section 133 of the Companies Act, 2013 ('the Act') and the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 ('RBI Directions') as amended from time to time.

During the financial year under review, your Company continued its focus on its lending activities in the Corporate Banking segment (Wholesale and Emerging corporate) and Retail segment and posted total income and net profit of ₹ 4,100.64 Crore and ₹ 652.47 Crore as against ₹ 3,154.13 Crore and ₹ 597.20 Crore, respectively, in the previous year.

During the period under review, the Company is not required to maintain the cost records as per the provisions of section 148 of the Act.

## TRANSFER TO RESERVE FUNDS

Pursuant to section 45-IC(1) of Reserve Bank of India ('RBI') Act, 1934, every Non-Banking Financial Company ('NBFC') is required to transfer a sum not less than 20% of its net profit every year to reserve fund. Accordingly, for the year under review, your Company has transferred an amount of ₹ 130.50 Crore to its Reserve Fund.

Pursuant to provisions of Companies Act, 2013 ('the Act') read with relevant rules thereunder, the Company, being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed debentures. However, the Company maintains sufficient liquidity margin to fulfil its obligations arising out of debentures. In case of secured debentures, a security cover of over minimum 1.0x is always maintained.

## CAPITAL ADEQUACY RATIO

The Capital to Risk Asset Ratio (CRAR) as on March 31, 2025 stood at 20.90%.

## DIVIDEND

During the year under review, the Board had not declared any interim dividend. Further, in order to preserve capital, the Company do not recommend any final dividend for the FY ended March 31, 2025. The dividend distribution policy, setting out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned approved by the Board of Directors. The said policy is available on the website of the Company and can be accessed at <https://www.axisfinance.in/policies-and-standards/dividend-distribution-policy>

## UNCLAIMED AMOUNTS

### Dividend:

Pursuant to sections 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), including amendment thereto, dividend, if not claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to the 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 Act does not apply.

### Interest / Redemption:

Pursuant to Regulation 61A (2) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 ('Listing Regulations'), there was no amount due to be transferred to IEPF in respect to redemption of Non-Convertible Securities and interest thereon by the Company. Further, as on March 31, 2025 no amount was lying unpaid / unclaimed in respect of the Non-Convertible Securities issued by the Company.

## STATE OF COMPANY'S AFFAIRS

Your Company is one of the well-known NBFC in the financial services industry and holds the recognised brand name of Axis Group. The Company does its business after taking into consideration its core values and ethics.

The operating and financial performance of the Company and information on the affairs of the Company has been given as part of the Management Discussion and Analysis section of this Board's Report.

## CHANGE IN NATURE OF BUSINESS, IF ANY

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

## CAPITAL STRUCTURE

### a) Authorised Share Capital

During the financial year under review, the Authorized Share Capital of the Company stood at ₹ 1000,00,00,000/- (Rupees One Thousand Crore only) divided into 100,00,00,000 (One Hundred Crore only) equity shares of ₹ 10/- (Rupees Ten only) each.

**b) Issued and Paid-up Capital**

During the financial year under review, the Company had allotted equity shares to Axis Bank Limited ('Holding Company') on right issue basis as follows:

- 6,65,06,764 equity shares of ₹ 10/- each (at a premium of ₹ 80/- per share) aggregating to ₹ 598,56,08,760/- on November 22, 2024.

Accordingly, as on March 31, 2025, the issued, subscribed and paid-up capital of the Company stood at ₹ 6,93,57,05,390 /- (Rupees Six Hundred and Ninety-Three Crore Fifty-Seven Lakh Five Thousand Three Hundred and Ninety only) divided into 69,35,70,539 (Sixty-Nine Crore Thirty-Five Lakh Seventy Thousand Five Hundred and Thirty-Nine only) shares of ₹ 10/- (Rupees Ten only) each.

**SUBSIDIARIES / JOINT VENTURE / ASSOCIATE COMPANIES**

The Company is a wholly owned subsidiary of Holding Company. Further, the Company does not have any subsidiary, joint venture or associate companies. Also, the Company did not become a part of any joint venture during the year under review.

**SIGNIFICANT EVENT DURING THE YEAR ENDED MARCH 31, 2025**

No significant event occurred during the year under review.

**DEPOSITS FROM PUBLIC**

During the year under review, the Company did not hold any public deposits nor has accepted any public deposit. Further, the Company being a Non-Banking Finance Company registered as Non-Deposit Taking Systemically Important Company categorised under Middle Layer as per Scale Based Regulation, it does not accept public deposits at any point of time and also ensures the due compliance of applicable guidelines of Reserve Bank of India in this regard.

**STATUTORY AUDITORS AND AUDITORS' REPORT****1. Statutory Auditors:**

M/s B. K. Khare & Co., Chartered Accountants and M/s G.M. Kapadia & Co., Chartered Accountants holds office as joint Statutory Auditors of the Company for a period of three years from the conclusion of the 27<sup>th</sup> and 29<sup>th</sup> Annual General Meeting respectively till the conclusion of the 30<sup>th</sup> Annual General Meeting to be held in calendar year 2025 and 32<sup>nd</sup> Annual General Meeting of the Company to be held in calendar year 2027 respectively.

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2025. The Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the Financial Statements of the Company for FY 2024-25, is disclosed in the Financial Statements forming part of the Annual Report. The notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. Further, there were no fraud reported by the Auditor's under sub-section (12) of section 143 of the Act, therefore no comment by the Board thereon is required.

Since, the tenure of M/s B. K. Khare & Co., Chartered Accountants, as one of the Joint Statutory Auditors of the Company, shall conclude at the 30<sup>th</sup> Annual General Meeting in accordance with their term of appointment. Accordingly, the Board of Directors of the Company, based on the recommendation of the Audit Committee, proposes the appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as one of the Joint Statutory Auditors of the Company for a period of three (3) years—commencing from the conclusion of the 30<sup>th</sup> Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the calendar year 2028. The proposed appointment is subject to the approval of the Members at the ensuing Annual General Meeting.

**2. Internal Auditors:**

In terms of provisions of section 138 of the Act and other applicable laws, the Company has a structured Internal Audit Department to carry out the internal audit activities of the Company. Further, the Chief Audit Executive heads the Internal Audit Department of the Company.

### 3. Secretarial Auditors:

Pursuant to the provisions of section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 24A of the Listing Regulations, the Company had appointed Virendra Bhatt, Practicing Company Secretary (Membership No. ACS1157 and Certificate of Practice No. 124) to conduct the secretarial audit for the FY2025.

The report of the Secretarial Auditor in form MR-3 which forms part of this Board's Report, annexed as **Annexure-1**. For the year under review, there has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in his report.

Further, in terms of regulation 24A of Listing Regulations, Virendra Bhatt has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the Listing Regulations.

The tenure of Virendra Bhatt, as Secretarial Auditor, has been concluded in accordance with his term of appointment. Accordingly, in terms of the Board approved Policy on appointment of Secretarial Auditors, and basis the recommendation of Audit Committee and Board of Directors, the Company proposes to appoint BNP & Associates, Company Secretaries, (Firm Registration Number. P2014MH037400), as the Secretarial Auditors of the Company for a period of 5 years commencing from the conclusion of 30<sup>th</sup> Annual General Meeting up to 35<sup>th</sup> Annual General Meeting to be held in calendar year 2030. The proposed appointment is subject to the approval of the Members at the ensuing Annual General Meeting.

### CORPORATE SOCIAL RESPONSIBILITY

During the period under review, the Company undertook the Corporate Social Responsibility ('CSR') activities through Axis Bank Foundation and through its implementing agencies. The programs / activities carried out / supported by your Company are aligned with Companies (CSR Policy) Amendment Rules, 2021.

In accordance with the provisions of section 135 of the Act read with The Companies (CSR Policy) Rules, 2014 and the CSR Policy, the Company has contributed ₹ 13,51,19,097/- (Rupees Thirteen Crore Fifty One Lakh Nineteen Thousand Ninety Seven only) towards CSR expenditure in various projects stipulated under schedule VII of the Act.

The annual report on Corporate Social Responsibility containing, details of CSR Policy, composition of CSR Committee, CSR projects undertaken and web-link thereto on the website of the Company, as required under The Companies (CSR Policy) Rules, 2014, which forms part of this Board's Report, annexed as **Annexure-2**.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

Since the Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence provisions of section 134(3)(m) of the Act read with The Companies (Accounts) Rules, 2014 are not applicable and therefore the information with respect to the conservation of energy, technology absorption is not provided in this Board's Report. The Company is however, constantly pursuing its goal of technological up-gradation in a cost-effective manner for delivering quality customer service.

Further, the particulars regarding foreign exchange earnings and outgo appear as separate item in the notes to the Financial Statements.

### ANNUAL RETURN

Pursuant to the provisions of section 134(3)(a) and section 92(3) of the Act read with rule 12(1) of The Companies (Management and Administration) Rules, 2014 and regulation 62(1)(k) of the Listing Regulations, the Annual Return of the Company as on March 31, 2025 in the prescribed form MGT-7 is hosted on the website of the Company and can be accessed at <https://www.axisfinance.in/investors-corner/annual-report>.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is in compliance with the applicable provisions of the Act and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India, applicable regulations issued by Securities and Exchange Board of India and other applicable laws inter-alia with respect to appointment of women director, non-executive director(s) and independent director(s).

As on March 31, 2025, the Board of Directors of the Company are as follows:

Sr. No.	Name of the Director	DIN	Category
1.	Amitabh Chaudhry	00531120	Chairman, Non - Executive Director
2.	Babu Rao Busi	00425793	Independent Director
3.	Deepak Maheshwari	08163253	Non – Executive Director
4.	K Narasimha Murthy	00023046	Independent Director
5.	Pallavi Kanchan	07545615	Independent Director
6.	U B Pravin Rao	06782450	Independent Director
7.	Puneet Sharma	06964749	Non – Executive Director
8.	Narasimhan Rajashekaran	02313710	Independent Director
9.	Sai Giridhar	10757486	Managing Director & CEO

During the year under review, there we're following changes in the Board of Directors of the Company:

- Puneet Sharma was appointed as the Non – Executive Director of the Company w.e.f. June 26, 2024.
- Narasimhan Rajashekaran was appointed as the Independent Director of the Company w.e.f. June 26, 2024.
- Biju Radhakrishnan Pillai ceased to be the Whole-Time Director (Deputy Managing Director) of the Company w.e.f. September 6, 2024.
- Bipin Kumar Saraf ceased to be the Managing Director & CEO of the Company w.e.f. closure of business hours on December 31, 2024.
- Sai Giridhar was appointed as the Managing Director & CEO of the Company w.e.f. January 1, 2025.

#### A. Director(s) Liable to Retire by Rotation

In accordance with Section 152 of the Act read along with the applicable The Companies (Appointment and Qualification of Directors) Rules, 2014, unless the Articles of Association provide for retirement of all directors at every Annual General Meeting, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Deepak Maheshwari, Non-Executive Director retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

#### B. Key Managerial Personnel

In terms of section 203 of the Act and applicable provisions of the Listing Regulations, the Company has the following Key Managerial Personnel's as on March 31, 2025:

- Sai Giridhar as the Managing Director & CEO (w.e.f. January 1, 2025);
- Rajneesh Kumar as the Company Secretary and Compliance Officer of the Company;
- Amith Iyer as the Chief Financial Officer of the Company.

#### During the year under review, following changes took place in the Key Managerial Personnel of the Company:

- Biju Radhakrishnan Pillai ceased to be the Whole-Time Director (Deputy Managing Director) of the Company w.e.f. September 6, 2024.
- Bipin Kumar Saraf ceased to be the Managing Director & CEO of the Company w.e.f. closure of business hours on December 31, 2024.
- Sai Giridhar was appointed as the Managing Director & CEO of the Company w.e.f. January 1, 2025.

#### Declaration of independence and Disclosures received from Directors

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations. During



the year under review, in the opinion of the Board, the Independent Directors appointed, are person with integrity and possess requisite experience, expertise and proficiency required under applicable laws and the policies of the Company. The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/49/493c805e-cd47-4b63-a532-2ada94347382/Appointment.pdf>

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, regulations of SEBI, directions issued by Reserve Bank of India read with circulars, notifications, directions issued and other applicable laws (as amended from time to time), none of the Directors of your Company are disqualified from being appointed as Directors of the Company.

### **Familiarisation Programme**

The Company has familiarised the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the Company at <https://www.axisfinance.in/investors-corner/disclosure-under-regulation-62>

### **Fit and Proper Criteria & Code of Conduct**

The Company has received the 'Fit and Proper' declarations from all the Directors of the Company, which have been taken on record by the Nomination and Remuneration Committee and the Board of Directors.

All the Directors meets the fit and proper criteria stipulated by RBI. All the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company

### **Performance Evaluation of Board, its Committees and Directors**

Pursuant to schedule IV, section 178 and other applicable provisions of the Act read with applicable regulations of the Listing Regulations, the Board has carried out an annual performance evaluation for the Directors individually as well as its Committees. Evaluation of performance of all Directors is undertaken annually.

The Company had appointed an independent external agency to carry out the performance evaluation of the Board, its Committees and Directors for the FY 2025.

On the basis of the report of the performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director.

Based on the report issued by the external agency, performance evaluation framework of the Company is carried out as stated below:

- a. Chairperson of the Nomination and Remuneration Committee approved the framework of performance evaluation of the Company;
- b. The Board evaluated the performance of the Independent Directors, Board as a whole and Committees of the Board excluding the Director being evaluated;
- c. Independent Directors would evaluate the performance of the Chairman of the Company after taking views of executive Director, Non-Executive Directors and Board as a whole;

A structured questionnaire designed for the performance evaluation of the Board, its Committees, Chairman and individual directors and in accordance with the criteria set and covering various aspects of performance including structure of the board, meetings of the board, functions of the board, role and responsibilities of the board, governance and compliance, conflict of interest, relationship among directors, director competency, board procedures, processes, functioning and effectiveness was circulated to all the Directors of the Company for the annual performance evaluation. Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, the Chairman and the individual Directors, a summary of the Board Evaluation was placed before the meeting of the Nomination and Remuneration Committee meeting and the Board meeting for its consideration.

The Directors have expressed their satisfaction with the evaluation process.

## REPORT ON CORPORATE GOVERNANCE

For the year under review, the report on Corporate Governance, is forming a part of this Board's Report, annexed as **Annexure-3**.

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The details about the Board and its committees including its constitution, number of meetings held, attendance, etc. are given in the report on Corporate Governance forming part of this Board's Report, annexed as **Annexure-3**.

## WHISTLE BLOWER / VIGIL MECHANISM

The Company has a structured Vigil Mechanism Framework ('Whistle Blower Policy') in terms of the provisions of Section 177(9) of the Act and Regulation 22 of the Listing Regulations, that motivates and guides directors and employees of the Company to report any wrongdoing, unethical or improper practice without any fear of retaliation. The objective of the said framework is to establish a redressal forum that addresses all concerns raised about questionable practices and through which stakeholders, Directors, employees, and service providers can raise actual or suspected violations. The Whistle Blower Policy empowers all levels of employees, including top management and service providers, to raise their voices against actual/suspected violations.

The Whistle Blower Policy has been placed on the website of the Company at <https://www.axisfinance.in/investors-corner/disclosure-under-regulation-62>

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate provisions protecting whistle blowers from unfair termination and other unfair prejudicial and employment practices. The Audit Committee of the Board reviews the complaints received and resolution thereof under the said policy on a quarterly basis. It is hereby affirmed that the Company has not denied any of its personnel, access to the Chairman of the Audit Committee.

During the year under review, the Company had received five (5) whistle blower complaint(s) and the same has been closed.

## AUDIT COMMITTEE

As on March 31, 2025, composition of the Audit Committee is as follows:

Sr. No	Name of the Member	Designation
1.	K. Narasimha Murthy	Chairperson, Independent Director
2.	Baburao Busi	Member, Independent Director
3.	Pallavi Kanchan	Member, Independent Director
4.	Deepak Maheshwari	Member, Non-Executive Director
5.	N. Rajashekaran	Member, Independent Director
6.	Puneet Sharma	Member, Non-Executive Director

During the FY 2025, following changes took place in the composition of the Audit Committee:

- U B Pravin Rao, Independent Director ceased to be the Member of the Committee w.e.f. July 22, 2024.
- N. Rajashekaran, Independent Director was appointed as the Member of the Committee w.e.f. July 22, 2024.
- Puneet Sharma, Non-Executive Director was appointed as the Member of the Committee w.e.f. July 22, 2024.

Further, during the FY 2025 all recommendations of the Audit Committee were accepted by the Board.

The brief terms of reference and attendance record of members are given in the Corporate Governance Report forming part of this Board's Report, annexed as **Annexure-3**.

## COMPREHNSIVE REMUNERATION POLICY AND SUCCESSION POLICY, DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES

Pursuant to the Annex XXIV-Compensation of Key Management Personnel ('KMP') and senior management of the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023 and in terms of section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI

Listing Regulations, the Company has in place the Policy on Succession Planning and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees ('Remuneration Policy').

The salient features of the Remuneration policy are as follows:

- Ensure the linkage of compensation with individual performance as established against a set of balanced parameters as well as alignment with the corporate objectives of the Company.
- Maintain the ability to attract, retain and reward employees to enable the Company to attain its strategic objectives within the increasingly competitive context in which it operates.
- Reinforce a culture of meritocracy and differentiate and reward performance.
- Balance the mix of Fixed, Variable and Long Term Pay to appropriately reflect the value and responsibility of the role performed day to day, and to influence appropriate behaviours and actions in the long term.
- Ensure policy is consistent with, and promotes, effective risk management practices and the company's commitment to compliance and controls.
- Ensure reasonable and fair rewards administration, having regard to best governance practices.
- Align compensation programs, structures and decisions with shareholder interests and regulatory guidelines.

The said policy is also placed at the website of the Company at [https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/a4/a498fc65-f4c8-4222-8955-96ec8a8a9040/Remuneration%20Policy\\_V2.pdf](https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/a4/a498fc65-f4c8-4222-8955-96ec8a8a9040/Remuneration%20Policy_V2.pdf)

In terms of section 197 of the Act 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.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company being a Non-Banking Financial Company, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. During the year under review, the Company had not made any investments in terms of provisions of Section 186(1) of the Act.

As regards investments made by the Company, the details of the same are disclosed in note no. 7 to the financial statements of the Company for the year ended March 31, 2025.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES AND POLICY ON RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Act and the Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. Pursuant to the said omnibus approval, details of transaction entered into is also reviewed by the Audit Committee and the Board of Directors on a quarterly basis. There were no material related party transactions entered by the Company during the year under review. Further, 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.

Relevant Form – AOC-2 for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in section 188(1) of the Act forms part of this Board's Report, annexed as **Annexure-4**.

The policy on Related Party Transactions is placed on the website of the Company at

<https://www.axisfinance.in/investors-corner/disclosure-under-regulation-62>

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as mandated by the RBI Directions and pursuant to the Listing Regulations is part of this Board's Report, annexed as **Annexure-5**.

## **RISK MANAGEMENT FRAMEWORK**

Your Company manages a variety of risks that can significantly impact its financial performance and also its ability to meet the expectations of our customers, shareholders, regulators and other stakeholders. The Company is exposed to financial risk, such as credit, interest rate, market, liquidity and funding risks, and non-financial, such as operational including compliance and model risks, strategic and reputation risks. 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. Various aspects of risk are taken into account while preparing the annual business plan for the year. The Company's risk appetite is articulated in a risk appetite statement which is reviewed at least quarterly by the Risk Management Committee ('RMC') of the Board.

Your Company manages risk based on Risk Management framework which lays down guidelines in identifying, assessing and managing risks that the entity is exposed to. Risk Management Committee meetings are conducted on quarterly basis to review key risks like Credit Risk, Liquidity Risk, Operational Risk and various other risks.

In accordance with the requirements under the Reserve Bank of India guidelines, the Company has the Chief Risk Officer. He is responsible for overseeing the risk function and reporting key risk events and updates to the Risk Management Committee and the Board.

The Company continuously monitors its risk appetite, and the RMC as well as the Board reviews periodic risk appetite reports and analysis. The Board is also periodically informed of the business risks and the actions taken to manage them. The Board assesses management's performance, provides credible challenge, and holds management accountable for maintaining an effective risk management program and for adhering to risk management expectations. The Board carries out its risk oversight responsibilities directly and through its committees. Further, the RMC periodically reviews risk levels, portfolio composition, status of impaired credits, etc. The risk is everyone's responsibility and every team member is required to comply with applicable laws, regulations, and the Company policies. The Board holds management accountable for establishing and maintaining the right risk culture and effectively managing risk.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

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

## **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of section 134(3)(c) of the Act:

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Company has complied with the applicable Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs under section 133 of the Act. The financial statements for the year have been prepared in accordance with schedule III to the Act.

Further, since Axis Bank Limited (Holding Company) still continues to report under the Indian Generally Accepted Accounting Principles (IGAAP), the Company in addition prepares financials as per IGAAP for the purpose of consolidation of accounts with the Holding Company.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Committee ('IC') has been constituted to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy and the Policy is gender neutral.

IC has its presence at corporate office and 1 (one) representative from each location is the member of IC.

The role of the Committee is not restricted to mere redressal of complaints but also encompasses prevention and prohibition of sexual harassment.

During the year under review, the Company conducted 8 (eight) trainings, of which 2 (two) were held in-person and 6 (Six) were held online for remote locations on POSH awareness. These trainings were conducted by Ms. Sneha Khandekar (External Member) for awareness of POSH Policy amongst all the employees of the Company.

During the year under review, the Company has filed Nil return, details of which are as below with Office of District Women and Child Development Officer as required under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Due Date	Date of Submission
POSH Return Filing	January 31, 2025	January 28, 2025

## FINANCE

During the year under review, the Company raised funds from various public / private sector banks, mutual funds, pension funds, Corporate Treasuries and financial institutions. The Company continued to borrow funds inter-alia by issue of Commercial Papers and Non-Convertible Debentures, Credit facilities from banks / financial institutions etc. Details in this regard are more particularly mentioned in the audited financial statements.

## CREDIT RATING

During the year under review, Crisil Ratings Limited ("CRISIL"), CARE Ratings Limited ("CARE"), India Ratings and Research Private Limited ("India Ratings") and Brickwork Ratings India Private Limited ("Brickwork") have reviewed and reaffirmed the ratings for the Company. On January 06, 2025 India Ratings had downgraded the Company's Long Term Bank Loans and Short Term Bank Loans rating to 'IND D' and reassigned the same to 'IND AAA/Stable and 'IND A1+', on even date. The downgrade was attributed to the delayed payment on a single banking facility with a payment due of ₹ 0.06 billion as on December 30, 2024 due to operational reasons which was immediately remediated on December 31, 2024.



Below are the ratings assigned as on March 31, 2025:

Sr. No	Facility / (ies)	CRISIL	CARE Ratings	INDIA RATINGS	Brickwork Ratings	Amount (₹ in Crore)			
						CRISIL	CARE	INDIA Rating	Brickwork
1.	Non-Convertible Debenture	CRISIL AAA / Stable	CARE AAA / Stable	IND AAA / Stable	N.A.	17,606.40	23,000.00	17,385.00	-
2.	Principal protected Market linked Debentures	N.A.	CARE AAA / Stable	IND AAA / Stable	N.A.	-	1,500.00	30.00	-
3.	Subordinated Debt	CRISIL AAA / Stable	CARE AAA / Stable	IND AAA / Stable	N.A.	3,500.00	3,500.00	3,470.00	-
4.	Perpetual Debt	CRISIL AAA / Stable	CARE AAA / Stable	N.A.	BWR AAA / Stable	1,200.00	2,000.00	-	300.00
5.	Long Term Bank Loan	N.A.	N.A.	IND AAA / Stable	N.A.	-	-	33,000.00	-
6.	Short Term Bank Loan	N.A.	N.A.	IND A1+	N.A.	-	-	2,000.00	-
7.	Bank Lines Long Term / Short Term	N.A.	CARE AAA / Stable / CARE A1+	N.A.	N.A.	-	15,000.00	-	-
8.	Commercial paper	CRISIL A1+	N.A.	IND A1+	N.A.	6,000.00	-	6,000.00	-

## COMPLIANCE MONITORING & REPORTING TOOL

In terms of provisions of Section 134(5)(f) of the Companies Act, 2013, the Company has put in place a Compliance Management System for effectively tracking and managing critical action items related to regulatory and internal compliance requirements.

## INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL SYSTEMS

The Board confirms that your Company has laid down a standard set of policies, processes and systems which ensures Internal Financial controls across the organisation with reference to Financial Statements and that such controls are adequate and are operating effectively.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company ensures compliance with operating procedures, accounting procedures and policies of the Company.

The internal audit plan is developed based on the residual risk profile of business activities of the organisation. The audit plan is approved by the Audit Committee of the Board, which regularly reviews the status of the Audit plan and performance of the Internal Audit Department and provides directions wherever required. Further, based on the Internal Audit Reports 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.

The Compliance department also performs compliance testing of the controls and operating procedures based on an approved Compliance testing plan during the financial year.

During the year under review, such controls were tested by the Compliance and Internal Audit Department of the Company and no material weaknesses were noted, in the design or operations. The testing results were reported to the Audit Committee of the Board and necessary controls are in place to mitigate the potential risks. The Statutory Auditors have reviewed the said test results and found them to be effective.

## HUMAN RESOURCE

Your Company believes its employees are important pillars of success. It offers them a nurturing environment and a merit-based, rewarding work culture. The Company is certified as a great place to work 2<sup>nd</sup> time in a row. The Company undertakes various employment engagement initiatives and regular reviews for optimal utilisation of human resources. Knowledge sharing and cross functional industry insights have enabled our staff to meet evolving business environment.

With the proposed expansion plans of Retail Finance and MSME Business, your Company has inducted experienced industry talent at senior and mid-level into the organization. Talent across diversified business processes has been inducted to strengthen the Organization's Growth, Profitability & Sustainability. In addition, there is focus on hiring for Technology and Analytics teams.

To accelerate the Company's growth and agility across locations, your Company has focused on strategic hiring and the employee strength has increased to 1,654 employees as on March 31, 2025.

Employer focused on skilling and training its employee by training them on Policies and SOPs. In addition, there is a lot of emphasis on learnings on compliance, risk and regulatory areas. It is mandated for every employee to complete regulatory training. During the year under review, various programs have been driven like ACE, Axcend, Better Up Coaching and High Performing Managers Program. Further, during the year under review, your Directors placed on record the appreciation of effort and dedication of the employees in achieving good results.

In addition to the above, various activities are being carried out in your Company to ensure adherence to the employee friendly and healthy work culture. Some examples are Axis value survey for getting the feedback on Axis Values and behaviours aligned to values. The Company has a dedicated email ID for resolving employees concerns / grievances and an email ID for direct access to the employees to reach out to the Managing Director & CEO. Your Company encourages employees to take required breaks and has a Mandatory Leave Policy, other staff benefits includes subsidised staff housing loan, two wheeler loan, Company Car benefit, professional upskilling benefits and health insurance benefits.

### **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 Financial Company ('NBFC-ND-SI'). The Company has submitted returns with RBI on timely basis.

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

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

### **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.

### **COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

The Company has obtained a compliance certificate from KTS & Associates, Practicing Company Secretaries regarding compliance of corporate governance, forming part of this Board's Report, annexed as **Annexure-6**.

### **OTHER DISCLOSURES**

During the year under review, the Company has not obtained any registration / license / authorisation, by whatsoever name called from any other regulators.

### **ACKNOWLEDGEMENT**

Your Company 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. The relationships with regulatory authorities and clients remained good during the year under review.

The Board of your Company 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.

On behalf of the Board of the Directors

sd/-

**Amitabh Chaudhry**  
Chairman  
DIN: 00531120

Place: Mumbai  
Date: April 17, 2025

# Annexure-1

## FORM NO.: MR-3

### SECRETARIAL AUDIT REPORT

For the year ended March, 31, 2025

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.:9 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014]

To

**The Board of Directors,  
Axis Finance Limited**

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Axis Finance Limited having CIN: U65921MH1995PLC212675 (hereinafter called "the Company") during the year ended March 31, 2025, ("audit period"/ 'period under review').

I have conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conduct/statutory compliances and expressing my opinion thereon.

I am issuing this report based on:

- (i) My **verification** of the books, papers, soft copies as provided by the Company and other records maintained by the Company and furnished to me, forms/ returns filed and compliance related action taken by the Company during the year ended March 31, 2025,
- (ii) **Representations** made, documents shown and information provided by the Company, its officers, agents, and authorised representatives during my conduct of secretarial Audit.

Based on the information provided by the Company, I am of the opinion that the Company has prima facie proper system to comply with the applicable laws.

I hereby report that in my opinion, during the audit period the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter.

## 1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS.

### I further report that:

- 1.1. I have examined the books, papers, minutes, soft copies and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the audit period according to the provisions/ clauses of:
  - (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder except relating to transfer of securities;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of extent Commercial Borrowings;

- (v) The following Regulations Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
    - 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 2013 and dealing with client;
    - c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
    - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial standards).
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2025 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information, explanations and representations furnished to me:
- (i) Complied with the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under of paragraph 1.1.
  - (ii) Complied with the applicable provisions/ clauses of:
    - (a) The Act and rules mentioned under paragraph 1.1. (i);
    - (b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1.
  - (vi) Above to the extent applicable to Board Meetings including its committees held during the audit period, the 29<sup>th</sup> Annual General Meeting held on June 19, 2024 and Extra Ordinary General Meeting held on September 18, 2024.
- 1.3. I was informed that, during the audit period, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:
- a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- 1.4. Based on the nature of business activities of the Company, the following specific Acts/Laws /Rules / Regulations are applicable to the Company, which have been duly complied with:
- a. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Circulars issued from time to time.
  - b. Prevention of Money Laundering Act, 2002;

## 2. BOARD PROCESSES:

### I further report that:

2.1. The Board of Directors of Company as on March 31, 2025 comprised of:

- (i) One Executive Director,
- (iii) Three Non- Executive Non Independent Directors, and
- (iv) Five Non-Executive Independent Directors, namely Mr. K. Narasimha Murthy (DIN: 00023046), Mr. Babu Rao Busi (DIN: 00425793), Mr. U. B. Pravin Rao (DIN: 06782450), Mr. Narasimhan Rajashekar (DIN: 02313710) and Ms. Pallavi Kanchan (DIN: 07545615) who is also the Woman Independent Director on the Board of the Company.

2.2. The processes relating to the following changes in the composition of the Board of Directors during the audit period were carried out in compliance with the provisions of the Act:

- (i) Resignation of Mr. Biju Pillai (DIN: 08604963), Whole-Time Director of the Company with effect from September 06, 2024.
- (ii) Re-appointed Mr. Amitabh Chaudhry (DIN: 00531120) as a director liable to retire by rotation, at the 29<sup>th</sup> Annual General Meeting held on June 19, 2024.
- (iii) Appointment of Mr. Narasimhan Rajashekar (02313710) as an Independent Director and Mr. Puneet Sharma (DIN: 06964749) as a Non-Executive Director has been approved by the Members at its Extra Ordinary General Meeting held on September 18, 2024.
- (iv) Cessation of Mr. Bipin Saraf (DIN: 06416744) as the Managing Director and CEO of the Company w.e.f. closure of business hours on December 31, 2024.
- (v) Appointment of Mr. Sai Giridhar (DIN- 10757486) as the Managing Director and Chief Executive Officer of the Company with effect from January 1, 2025.

2.3. Adequate notice was given to all the Directors to enable them to plan their schedule for the Meetings of the Board and its Committees.

2.4. Notice of Meetings of the Board and its Committees were sent to Directors at least seven days in advance, as required under Section 173(3) of the Act and SS-1

2.5. Agenda and detailed notes on agenda were sent to the Directors at least seven days before the Meetings of the Board and its Committees.

2.6. Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board Meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.7. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the Meetings and for their meaningful participation at the Meetings.

2.8. I note from the Minutes verified that, at the Board Meetings held during the audit period:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board Member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

### **3. COMPLIANCE MECHANISM**

There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### **4. SPECIFIC EVENTS/ ACTIONS;**

4.1. During the period under review, the following specific events/ actions having a major bearing on the Company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards:



1. Obtained approval from its Members at the Extra- Ordinary General Meeting of the Company held on September 18, 2024 for Payment of remuneration by way of commission to Non-Executive Directors including Independent Directors of the Company.
2. Obtained approval from its Members at the 29<sup>th</sup> Annual General Meeting of the Company held on June 19, 2024 to -
  - i. Increase the Borrowing Limits upto ₹ 70,000 Crore under Section 180(1)(c) of the Act.
  - ii. Increase the limits for creation of charge on the assets of the Company up to an amount of ₹ 70,000 Crore.
  - iii. Issue the Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore.
  - iv. Consider and approve the selling, assignment, securitisation under section 180(1)(a) of the Companies Act, 2013 up to 7,500 Crore.
3. Issued and allotted Secured rated listed redeemable non-convertible debentures with a face value of ₹ 26,71,20,00,000 and Unsecured rated listed redeemable non-convertible debentures with a face value ₹ 7,50,00,00,000 by way of private placement in different tranches and Non-convertible debentures having face value of ₹ 21,65,00,00,000 redeemed during the period under review.
4. Issued and allotted Listed Commercial Papers with a face value ₹ 55,55,00,00,000 by way of private placement in different tranches and redeemed Commercial Papers with a face value ₹ 55,15,00,00,000.00 during the period under review.
5. Issued and allotted 6,65,06,764 Equity shares of ₹ 10/- per equity share at an issue price of ₹ 90/- per equity share (including premium of ₹ 80/- per share) aggregating up to ₹ 598,56,08,760/-on Rights Issue basis to Axis Bank Limited on November 22, 2024.

sd/-

**Virendra G. Bhatt**

Practicing Company Secretary

ACS No.: 1157 / COP No.: 124

Peer Review Cert. No.: 6489/2025

UDIN: A001157G000097101

Date: April 14, 2025

Place: Mumbai

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

# Annexure-1

## Annexure to the Secretarial Audit Report

To,

The Board of Directors,

**Axis Finance Limited**

Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after March 31, 2025 but before the issue of this report.
4. I have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.
5. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed, provides a reasonable basis for my opinion.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
7. I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. My 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.

sd/-

**Virendra G. Bhatt**

Practicing Company Secretary

ACS No.: 1157 / COP No.: 124

Peer Review Cert. No.: 6489/2025

UDIN: A001157G000097101

Date: April 14, 2025

Place: Mumbai

# Annexure-2

## 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

The Corporate Social Responsibility ('CSR') philosophy of Axis Finance Limited ('Company') is to make meaningful and measurable contributions in the lives of socially, economically, financially and physically excluded, disadvantaged and challenged communities of the country through an integrated approach of development that focuses on creating opportunities for enhancing livelihood opportunities, improving quality of education and skills development, creating awareness amongst public at large on topics of financial literacy, health and hygiene and facilitating or providing access to formal banking channels for un-banked sections of the society (financial inclusion), promoting environmental sustainability, and supporting health and sanitation initiatives which may be implemented either directly by the Company or through Axis Bank Foundation ('ABF') or other implementation partners, as set out in the Annual Action Plan ('AAP').

### 2. COMPOSITION OF THE CSR COMMITTEE:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Pallavi Kanchan	Chairperson, Independent Director	2	2
2.	U B Pravin Rao <sup>^</sup>	Member, Independent Director	-	-
3.	Sai Giridhar <sup>*</sup>	Member, Managing Director & CEO	-	-
4.	K. Narasimha Murthy <sup>@</sup>	Member, Independent Director	2	2
5.	Deepak Maheshwari <sup>@</sup>	Member, Non - Executive Director	2	2
6.	Biju Pillai <sup>%</sup>	Member, Whole-Time Director (Deputy Managing Director)	2	2
7.	Bipin Kumar Saraf <sup>#</sup>	Member, Managing Director & CEO	-	-

<sup>^</sup> Appointed as a Member of the Committee with effect from July 22, 2024.

<sup>\*</sup> Appointed as the Member of the Committee with effect from January 1, 2025.

<sup>@</sup> Ceased to be the Member of the Committee with effect from July 22, 2024.

<sup>%</sup> Ceased to be the Member of the Committee with effect from September 6, 2024.

<sup>#</sup> Appointed as the Member of the Committee with effect from September 7, 2024 and thereafter ceased to be Member of the Committee with effect from December 31, 2024 (closure of business hours).

### 3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

- Composition of the CSR Committee: <https://www.axisfinance.in/investors-corner/corporate-governance>
- CSR Policy and Projects: <https://www.axisfinance.in/policies-and-standards/policycsr>  
<https://www.axisfinance.in/csr/home>

### 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: Not Applicable

### 5. (A) AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 6,75,59,54,857/-

### (B) TWO PERCENT OF AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 13,51,19,097/-

### (C) SURPLUS ARISING OUT OF THE CSR PROJECTS OR PROGRAMMES OR ACTIVITIES OF THE PREVIOUS FINANCIAL YEARS: NIL

### (D) AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY: NIL

### (E) TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR (5B + 5C - 5D): ₹ 13,51,19,097/-

6. (A) AMOUNT SPENT ON CSR PROJECTS (BOTH ONGOING PROJECT AND OTHER THAN ONGOING PROJECT): ₹ 13,47,37,994/-

(B) AMOUNT SPENT IN ADMINISTRATIVE OVERHEADS: ₹ 3,81,103/-

(C) AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE: NIL

(D) TOTAL AMOUNT SPENT FOR THE FY 2025 (6A + 6B + 6C): ₹ 13,51,19,097/-

(E) DETAILS OF AMOUNT SPENT AND UNSPENT FOR CSR ACTIVITIES FOR THE FINANCIAL YEAR:

Total Amount spent for the FY 2025 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)		
	Amount (in ₹)	Date of Transfer	Name of Fund	Amount (in ₹)	Date of Transfer
13,51,19,097/-	Nil			Nil	

(F) EXCESS AMOUNT FOR SET OFF, IF ANY: NIL

Sl. no.	Particulars	Amount in ₹
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	13,51,19,097
(ii)	Total amount spent for the Financial Year	13,51,19,097
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS: NIL

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer	
1.	FY 2022	-	-	-	-	-	-
2.	FY 2023	-	-	-	-	-	-
3.	FY 2024	-	-	-	-	-	-

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR: Yes and No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. SPECIFY THE REASON(S) IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): Not Applicable

sd/-

Sai Giridhar  
Managing Director & CEO

sd/-

Pallavi Kanchan  
Chairperson of CSR Committee

# Annexure-3

## Report on Corporate Governance

### 1. COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE

Axis Finance Limited's ('the Company') philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value. In the commitment to practice sound governance principles, Company is guided by its core principles viz. Transparency, Disclosures, Empowerment and Accountability, Compliances and Ethical Conduct.

The Board fully supports and endorses the Corporate Governance practices as envisaged in the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('the Listing Regulations').

### 2. RBI GUIDELINES ON CORPORATE GOVERNANCE

In order to enable NBFC's to adopt best practices and greater transparency in their operations, RBI has in its Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended from time to time) advised all applicable NBFCs to frame their internal guidelines on corporate governance with the approval of the Board of Directors. In pursuance of the same, the Company has framed the internal Guidelines on Corporate Governance which is placed on the website of the Company at <https://www.axisfinance.in/policies-and-standards/corporate-governance>

### 3. BOARD OF DIRECTORS

The Board of Directors, along with its Committee's 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 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 9 (nine) Directors as mentioned below in this report. There are no Nominee Directors representing any institution on the Board of the Company.

#### i. Composition of the Board of the Company:

Sr. No.	Name of the Director(s)	Category
1.	Amitabh Chaudhry	: Chairman, Non-Executive Director
2.	Deepak Maheshwari	: Non-Executive Director
3.	Puneet Sharma	: Non-Executive Director
4.	Babu Rao Busi	: Independent Director
5.	K. Narasimha Murthy	: Independent Director
6.	Pallavi Kanchan	: Independent Director
7.	U B Pravin Rao	: Independent Director
8.	N. Rajashekaran	: Independent Director
9.	Sai Giridhar	: Managing Director & CEO



## **ii. Meeting of Independent Directors**

The Company's Independent Directors met on March 13, 2025 in absence of Non-Independent Directors and members of the management. At this meeting the Independent Directors reviewed the following:

- a) performance of non-independent directors and the Board as a whole;
- b) performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- c) assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Chairperson of the meeting of the Independent Directors presented views of the Independent Directors to the Chairman of the Company.

## **iii. Board Meetings and Procedures**

The yearly calendar for the Board / Committee meetings are fixed well in advance and are in confirmation with the availability of the Directors, so as to facilitate active and consistent participation of all Directors in the Board / Committee meetings. Minimum four pre-scheduled Board Meetings are held every year (once every quarter). Additional Board Meetings are convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, resolutions are passed by circulation, as permitted by law. Video conferencing facilities are provided to enable active participation by Directors who are unable to attend the meetings in person.

The Board has unrestricted access to all Company related information. Detailed presentations along with notes to agenda are made to the Board regularly which cover operations, business performance and related details. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, are placed before the Board. The members of the Board are at liberty to bring up any matter for discussions at the Board meetings and the functioning of the Board is democratic. Members of the Senior Management team are invited to attend the Board Meetings, who provide additional inputs to the agenda items discussed by the Board.

The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company. Update(s) on matters arising from previous meetings are placed at the succeeding meeting of the Board / Committees for discussions, approvals, noting, etc.

There was no instance during the financial year 2024-25, where the Board of Directors had not accepted the recommendation of any Committee of the Board which was mandatorily required.

**iv. Composition and category of directors, attendance of each director at the meeting of the board of directors and the last annual general meeting, number of other board of directors or committees in which a director is a member or chairperson and number of meetings of the board of directors held and dates on which held**

Seven (7) meetings of the Board of Directors were held during the FY 2024-25. Necessary quorum was present at all the meetings and the gap between two board meetings did not exceed one hundred and twenty days (120) days.

Dates of the meetings, number of Directors associated and attendance of Directors are as follows:

Date of the Board meetings	Total Number of directors associated as on the date of meeting	No. of Directors present at the meeting
April 18, 2024	8	8
July 09, 2024	10	9*
August 31, 2024	10	10
October 12, 2024	9	9
January 13, 2025	9	9
January 28, 2025	9	7*
March 13 and 14, 2025	9	9

\*-Leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meeting.

Sr. No.	Name of the Director	Director Since	DIN	Category	No. of Board Meeting entitled to attend and attended during the year		No. of Directorship (including this Company)		No. of Committee positions held in other Companies (including this Company)^		Remuneration			Attendance at the last AGM held on June 19, 2024 Yes / No / Not Applicable	Directorship in other listed entity (Category of Directorship)^	Core skills / expertise / competencies
					Entitled to attend	Attended	Chairperson	Member	Chairperson	Member	Salary and other compensation	Sitting Fees	Commission			
1	Amitabh Chaudhry	17-01-2019	00531120	Chairman, Non-Executive Director	7	7			Nil	Nil	Nil	Nil	Nil	Yes	Axis Bank Limited (Executive Director)	Business Management and Strategy, Banking, Financial Services, Financial Accounting, Treasury, Information Technology, Cyber Security, Risk Management
2	Bipin Saraf#	20-10-2012	06416744	Managing Director & CEO	4	4	Nil	1	Nil	Nil	4,00,16,794	Nil	Nil	Yes	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Governance and Compliance, Audit, Assurance and Controls, Information Technology, Cyber Security, Risk Management, Customer Service and Customer Relations

Sr. No.	Name of the Director	Director Since	DIN	Category	No. of Board Meeting entitled to attend and attended during the year		No. of Directorship (Including this Company)		No. of Committee positions held in other Companies (Including this Company)^		Remuneration			Attendance at the last AGM held on June 19, 2024 Yes / No / Not Applicable	Directorship in other listed entity (Category of Directorship)^	Core skills / expertise / competencies
					Entitled to attend	Attended	Chairperson	Member	Chairperson	Member	Salary and other compensation	Sitting Fees	Commission			
3	Biju Pillai^	07-11-2019	08604963	Whole-Time Director (Deputy Managing Director)	3	3	Nil	1	Nil	Nil	10,33,30,508	Nil	Nil	Yes	Nil	Business Management and Strategy, Banking, Financial Services, Financial Accounting, Information Technology, Cyber Security, Risk Management, Customer Service and Customer Relations, Sustainability and ESG
4	Deepak Maheshwari	26-06-2019	08163253	Non-Executive Director	7	6	Nil	3	0	3	Nil	39,00,000	10,00,000	Yes	CSB Bank Ltd.%	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Audit, Assurance and Controls, Risk Management, Sustainability and ESG
5	Baburao Busi	16-04-2021	00425793	Independent Director	7	7	Nil	2	1	2	Nil	41,00,000	10,00,000	Yes	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Audit, Assurance and Controls, Information Technology, Cyber Security, Risk Management
6	U B Pravin Rao	14-04-2022	06782450	Independent Director	7	6	Nil	6	1	6	Nil	26,50,000	10,00,000	Yes	1. Suren Pharmaceuticals Limited% 2. Zensar Technologies Limited% 3. Indegene Limited% 4. Computer Age Management Services Limited%	Business Management and Strategy, Financial Accounting, Information Technology, Cyber Security, Risk Management
7	Pallavi Kanchan	12-01-2023	07545615	Independent Director	7	7	Nil	5	1	2	Nil	37,50,000	10,00,000	Yes	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Governance and Compliance, Audit, Assurance and Controls, Risk Management, Customer Service and Customer Relations, Sustainability and ESG

Sr. No.	Name of the Director	Director Since	DIN	Category	No. of Board Meeting entitled to attend during the year		No. of Directorship (including this Company)		No. of Committee positions held in other Companies (including this Company) <sup>^</sup>		Remuneration			Attendance at the last AGM held on June 19, 2024 Yes / No / Not Applicable	Directorship in other listed entity (Category of Directorship) <sup>^</sup>	Core skills / expertise / competencies
					Entitled to attend	Attended	Chairperson	Member	Chairperson	Member	Salary and other compensation	Sitting Fees	Commission			
8	K. Narasimhan Murthy	12-01-2023	00023046	Independent Director	7	7	Nil	8	4	6	Nil	28,00,000	10,00,000	Yes	1. Raymond Limited% 2. Raymond Lifestyle Limited% 3. Max Financial Services Limited%	Business Management and Strategy, Banking, Financial Services, Financial Accounting, Treasury, Governance and Compliance, Audit, Assurance and Controls, Information Technology, Cyber Security, Risk Management, Sustainability and ESG Customer Service and Investor Relations
9	N. Rajashekaran*	26-06-2024	02313710	Independent Director	6	6	Nil	2	Nil	2	Nil	19,00,000	7,64,384	Not Applicable	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Governance and Compliance, Audit, Assurance and Controls, Information Technology, Cyber Security, Risk Management, Sustainability and ESG Customer Service and Investor Relations
10	Puneet Sharma*	26-06-2024	06964749	Non-Executive Director	6	5	Nil	2	Nil	2	Nil	Nil	Nil	Not Applicable	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Audit, Assurance and Internal Controls, Risk Management
11	Sai Giridhar <sup>\$</sup>	01-01-2025	10757486	Managing Director & CEO	3	3	Nil	1	Nil	1	1,97,48,526	Nil	Nil	Not Applicable	Nil	Business Management and Strategy, Banking, Financial Accounting, Governance and Compliance, Information Technology, Cyber Security, Risk Management, Customer Service and Investor Relations

\* -Appointed effective June 26, 2024

# -Ceased to be a Managing Director & CEO effective from the closure of business hours of December 31, 2024

^ -Ceased to be a Whole-Time Director (Deputy Managing Director) effective September 06, 2024

\$ -Appointed as a Managing Director & CEO effective January 01, 2025

^ -Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1) (b) of the Listing Regulations.

%-Independent, Non-Executive

**v. Details of change in composition of the Board during the FY 2025 and FY 2024**

Sr. No.	Name of the Director	Category	FY 2025		FY 2024	
			Nature of Change	Effective Date	Nature of Change	Effective Date
1	N. Rajashekar	Independent Director	Appointment	June 26, 2024	-	-
2	Puneet Sharma	Non-Executive Director	Appointment	June 26, 2024	-	-
3	Biju Pillai	Whole-Time Director (Deputy Managing Director)	Cessation	September 06, 2024	-	-
4	Bipin Saraf	Managing Director & CEO	Cessation	December 31, 2024	-	-
5	Sai Giridhar	Managing Director & CEO	Appointment	January 01, 2025	-	-

**vi. Inter-se relationships among Directors**

None of the Directors of the Company are inter-se related to each other.

**vii. Shareholding and Convertible Instruments of the Company held by Directors**

The Directors of the Company do not hold any shares or any convertible instruments of the Company.

**viii. Familiarisation Programme for Independent Directors**

The Company has established a Familiarisation Programme for Independent Directors. The framework together with the details of the Familiarisation Programme imparted during the financial year under review has been uploaded on the website of the Company and can be accessed at [https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/ae/ae46f861-036e-478d-9af2-ddc0f2c7c5c8/AFL-Familiarization%20Program\\_.pdf](https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/ae/ae46f861-036e-478d-9af2-ddc0f2c7c5c8/AFL-Familiarization%20Program_.pdf)

The familiarization programme aims to provide Independent Directors with the socio-economic environment, in which the Company operates, the business model, the operational and financial performance of the Company, to update the Independent Directors on a continuous basis on significant developments so as to enable them to take well-informed decisions in a timely manner.

Periodic presentations were made at the Board meetings apprising the Board members about the finer aspects of the Company's businesses, the challenges posed and an overview of future business plans.

**ix. Role of Independent Directors**

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its stakeholders. The wide knowledge in their respective fields of expertise and best-in-class board room practices helps foster varied, unbiased, independent and experienced perspective.

The Company benefits immensely from their inputs in achieving its strategic direction. Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Customer Grievance Redressal Committee, Corporate Social Responsibility Committee, IT Strategy Committee and Stakeholders Relationship Committee are chaired by Independent Directors.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in The Companies Act, 2013 ('the Act') and the Listing Regulations and are independent of the management.

**4. COMMITTEES OF THE BOARD**

The Committees of the Board are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all Committees of the Board are placed before the Board for noting.



The Company has 9 Committees of the Board namely Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Customer Grievance Redressal Committee (erstwhile Stakeholders Relationship Committee), Stakeholders Relationship Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Committee of Directors, and Review Committee.

**Meetings of the Committees and General Meetings held during the year and Director's attendance is presented as below:**

Name of the Committee	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Customer Grievance Redressal Committee (erstwhile Stakeholders Relationship Committee)	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	IT Strategy Committee	Committee of Directors	Annual General Meeting	Extra Ordinary General Meeting
Number of meetings held	9	7	7	4	1	2	4	13	1	1
Amitabh Chaudhry	NA	NA	NA	NA	NA	NA	NA	NA	1	1
Bipin Saraf <sup>#</sup>	NA	6	NA	2	1	NA	2	3	1	1
Biju Pillai <sup>^</sup>	NA	NA	NA	2	NA	2	2	NA	1	NA
Deepak Maheshwari	9	7	3	NA	NA	2	NA	13	1	1
Baburao Busi	9	2	7	4	NA	NA	NA	13	1	Nil
U B Pravin Rao	4	4 <sup>@</sup>	7	4	1	NA	4	NA	1	Nil
Pallavi Kanchan	9	2	7	NA	1	2	NA	10	1	1
K Narasimha Murthy	9	NA	7	2	NA	2	4	NA	1	Nil
N. Rajashekar <sup>*</sup>	5	5	NA	2	NA	NA	2	NA	NA	Nil
Puneet Sharma <sup>*</sup>	5	NA	NA	NA	NA	NA	NA	NA	NA	Nil
Sai Giridhar <sup>§</sup>	NA	1	NA	NA	NA	NA	NA	NA	NA	NA

\*-Appointed w.e.f. June 26, 2024

<sup>#</sup>-Ceased to be a Managing Director & CEO effective from the closure of business hours of December 31, 2024

<sup>^</sup>-Ceased to be a Whole-Time Director (Deputy Managing Director) effective September 06, 2024

<sup>§</sup>-Appointed as a Managing Director & CEO effective January 01, 2025

<sup>@</sup>- Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting

**a. Audit Committee**

● **Constitution of the Committee**

The members of the Committee possess strong accounting and financial management knowledge. The Committee meets the composition requirement pursuant to the provisions of section 177 of the Act and rules made thereunder, regulation 18F of SEBI Listing Regulations and RBI Master Directions, as amended from time to time.

The composition of the Audit Committee as on March 31, 2025 is as under:

Sr. No	Name of the Members	Designation	Member of Committee since
1.	K. Narasimha Murthy	: Chairperson, Independent Director	January 12, 2023
2.	Babu Rao Busi	: Member, Independent Director	July 19, 2021
3.	Deepak Maheshwari	: Member, Non-Executive Director	April 25, 2020
4.	Pallavi Kanchan	: Member, Independent Director	January 12, 2023
5.	N. Rajashekar	: Member, Independent Director	July 22, 2024
6.	Puneet Sharma	: Member, Non-Executive Director	July 22, 2024

a. U. B. Pravin Rao ceased to be a member effective July 22, 2024

- **Terms of Reference**

The terms of reference of Audit Committee are aligned with the regulatory requirements mandated in the Act and Rules made thereunder, SEBI Listing Regulations and RBI Master Directions as amended from time to time and as per the charter approved by the Board of the Company. The main terms of reference include:

- Providing direction and overseeing the operations of the audit function
- Reviewing the RBI inspection reports and other audit reports and the status of compliance with the same
- Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Company
- Reviewing with the management, performance and independence of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process
- Approving payments to statutory auditors for any other services rendered by the statutory auditors
- Reviewing with the management, the quarterly, half yearly and yearly financial statements before submission to the Board for approval.
- Reviewing the concurrent audit system of the Company (including the appointment of concurrent auditors)
- Reviewing the performance of Information Systems Audit and the critical issues highlighted during the Information Systems Audit and provide appropriate guidance to the Company's Management.
- Meeting of the Audit Committee on one-to-one basis with Chief Compliance Officer and Chief Audit Executive, without the presence of the senior management, on a quarterly basis.

- **Meetings Held**

The Audit Committee met 9 (nine) times during the FY 2024-25 on April 17, 2024, May 14, 2024, June 19, 2024, July 8, 2024, August 09, 2024, October 10, 2024 and October 11, 2024 (Adjourned), November 29, 2024 and December 19, 2024 (Adjourned), January 13, 2025 and February 24, 2025 and March 08, 2025 (Adjourned).

The frequency of Audit Committee meetings was more than the minimum limit prescribed under applicable regulatory requirements and the gap between two Committee meetings was not more than 120 (one hundred and twenty) days.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Chief Audit Executive, representatives of Statutory Auditors and other senior executives who were considered necessary for providing inputs to the Audit Committee.

## **b. Nomination & Remuneration Committee**

- **Constitution of the Committee**

The Nomination and Remuneration Committee ('NRC') is formed in compliance with the provisions of section 178 of the Act and rules made thereunder, regulation 19 of the SEBI Listing Regulations and RBI Master Directions, as amended from time to time.

The composition of Nomination and Remuneration Committee as on March 31, 2025 is as under:

Sr. No	Name of the Members	Designation	Member of Committee since
1.	U.B. Pravin Rao	: Chairperson, Independent Director	April 14, 2022
2.	Babu Rao Busi	: Member, Independent Director	July 19, 2021
3.	K. Narasimha Murthy	: Member, Independent Director	April 13, 2023
4.	Pallavi Kanchan	: Member, Independent Director	January 12, 2023

a. Deepak Maheshwari ceased to be a member effective July 22, 2024

- **Terms of Reference**

The terms of reference of NRC are aligned with the regulatory requirements mandated in the Act and Rules made thereunder, SEBI Listing Regulations and RBI Master Directions as amended from time to time and as per the charter approved by the Board of the Company. The main terms of reference include:

- i. Reviewing the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the Policy on Board Diversity.
- ii. Identifying the persons who are qualified to become Directors of the Company and to consider proposal relating to the appointment / re-appointment / removal of the Chairman, the Managing Director & CEO, other Whole-Time Directors of the Company, Non-Executive Directors including Independent Directors and the terms and conditions relating to their appointment/re-appointment, including remuneration, in accordance with the criteria laid down and recommend the same for the approval of the Board.
- iii. Formulation of the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Company, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.
- iv. Formulating the criteria for determining qualifications, positive attributes and independence of a director.
- v. Reviewing and recommending to the Board, the overall remuneration framework and associated policies of the Company, including the Remuneration Policy of the Company, Non-Executive Directors, Managing Director & CEO, Whole Time Directors and other employees of the Company, taking into account the norms prescribed under the Act, rules made thereunder, SEBI Listing Regulations and RBI Master Directions as amended from time to time

- **Meetings Held**

NRC met 7 (seven) times during the FY 2024-25 on April 03, 2024, April 16, 2024, June 19, 2024, August 26, 2024, October 11, 2024, January 23, 2025 and March 13, 2025.

- **Performance Evaluation Criteria for Independent Directors**

The Performance Evaluation Criteria for Independent Directors is comprised of certain parameters like professional qualifications, experience, knowledge and competency, active participation at the Board / Committee meetings, ability to function as a team, initiative, availability and attendance at meetings, commitment and contribution to the Board and the Company, integrity, independence from the Company and other Directors and whether there is any conflict of interest, voicing of opinions freely, etc. These are in compliance with applicable laws, regulations and guidelines.

### c. Customer Grievance Redressal Committee

- **Constitution of the Committee**

Customer Grievance Redressal Committee is formed in compliance with the Master Direction on Internal Ombudsman 2023 which mandates that Customer Service Committee / Consumer Protection Committee should be a Board level Committee.

The composition of the Customer Grievance Redressal Committee ('CGRC') as on March 31, 2025 is as under:

Sr. No.	Name of the Members	Designation	Member of Committee since
1.	Baburao Busi	: Chairperson, Independent Director	January 12, 2023
2.	U B Pravin Rao	: Member, Independent Director	January 12, 2023
3.	K. Narasimha Murthy	: Member, Independent Director	January 12, 2023
4.	N. Rajashekaran	: Member, Independent Director	July 22, 2024
7.	Sai Giridhar	: Member, Managing Director & CEO	January 01, 2025

a. Biju Pillai ceased to be a Member w.e.f. September 06, 2024

b. Bipin Saraf ceased to be a Member w.e.f. December 31, 2024 (closure of business hours)

- **Terms of Reference**

The terms of reference of CGRC are aligned with the RBI Master Directions as amended from time to time and as per the charter approved by the Board of the Company. The main terms of reference include:

- Providing guidance in improving overall standards of customer service in the Company
- Reviewing the customer complaints (including but not limited to mis-selling in respect of the services/ products offered by the Company), assess the manner in which such complaints were resolved and its effectiveness in making the grievance redressal mechanism robust
- Reviewing cases of disagreement with the decision of the Internal Ombudsman, if any
- Reviewing Customer Awareness Initiatives

- **Meetings Held**

CGRC met four (4) times during the FY 2024-25 on April 15, 2024, June 18, 2024, September 24, 2024 and December 23, 2024.

#### d. Stakeholders Relationship Committee

- **Constitution of the Committee**

The Stakeholders Relationship Committee is formed in terms of regulation 20 of the SEBI Listing Regulations.

The composition of the Stakeholders Relationship Committee ('SRC') as on March 31, 2025 is as under:

Sr. No.	Name of the Members	Designation	Member of Committee since
1.	Babu Rao Busi	: Chairperson, Independent Director	July 22, 2024
2.	Deepak Maheshwari	: Member, Non-Executive Director	July 22, 2024
3.	Sai Giridhar	: Member, Managing Director & CEO	January 01, 2025

- U B Pravin Rao and Pallavi Kanchan ceased to be the members w.e.f. July 22, 2024
- Bipin Saraf ceased to be a member w.e.f. December 31, 2024 (closure of business hours)

- **Terms of Reference**

The terms of reference of SRC are aligned with the regulatory requirements mandated in the SEBI Listing Regulations as amended from time to time and as per the charter approved by the Board of the Company. The main terms of reference include:

- Consider and resolve the grievances of the security holders of the Company.
- Consider and review various aspects of interest of the security holders of the Company.
- Review of complaints received from the investors and the status of its redressal.
- Formulation of policies and procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from stakeholders and security holders from time to time;
- Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure their timely and speedy resolution, in consultation with the Company Secretary and Compliance officer and RTA of the Company.

- **Meetings Held**

SRC met once during the FY 2024-25 on April 17, 2024.

- **Details of Compliance Officer of the Company**

Rajneesh Kumar, Company Secretary of the Company is the Compliance officer under the Listing Regulations.

- **Details of Complaints received from the Debenture holders (only Non-Convertible Debentures issued on Private Placement basis are listed on BSE) and redressed during the FY 2025 are as follows:**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

During FY 2025, no complaints were received from the Equity Shareholders of the Company.

## e Risk Management Committee

- **Constitution of the Committee**

The Risk Management Committee is formed in compliance with the regulation 21 of the SEBI Listing Regulations and as per RBI Master Directions, as amended from time to time.

The composition of the Risk Management Committee as on March 31, 2025 is as under:

Sr. No	Name of the Members	Designation	Member of Committee since
1.	N. Rajashekar	: Chairperson, Independent Director	July 22, 2024
2.	Deepak Maheshwari	: Member, Non-Executive Director	June 26, 2019
3.	U B Pravin Rao	: Member, Independent Director	July 22, 2024
4.	Sai Giridhar	: Member, Managing Director & CEO	January 01, 2025

a. Babu Rao Busi ceased to be the chairperson and member w.e.f. July 22, 2024

b. Pallavi Kanchan ceased to be the member w.e.f. July 22, 2024

- **Terms of Reference**

The terms of reference of RMC are aligned with the regulatory requirements mandated in the Act and Rules made thereunder, SEBI Listing Regulations and RBI Master Directions as amended from time to time and as per the charter approved by the Board of the Company. The main terms of reference include:

- Reviewing the risk management framework formulated and adopted by the Company taking into account the nature, size and complexity of the businesses undertaken by the Company and recommending the same for the approval of the Company;
- Periodically reviewing and ensuring that appropriate systems of controls with regard to risk management systems are in place and affirm the same to the Board;
- Review the appointment, removal and terms of appointment of the Chief Risk Officer of the Company
- Reviewing the effectiveness of the Company's internal control and risk management framework, in relation to its core strategic objectives, and to seek such assurance as may be appropriate
- Whilst encouraging positive thinking, ensuring that it does not result in over-optimism which could either lead non-recognition of significant risks or expose the Company to excessive risk
- Assisting the management of the Company by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and key areas of the Company's focus.
- Formulating a detailed risk management policy
- Reviewing the Asset Liability Management (ALM) of the Company on a regular basis.
- Reviewing the Stress Testing Results
- Reviewing model risk of the Company.

- **Meetings Held**

Risk Management Committee met seven (7) times during the FY 2024-25 on April 16, 2024, June 18, 2024, and June 19, 2024 (Adjourned), July 30, 2024 October 03, 2024, October 08, 2024, December 23, 2024 and January 10, 2025.



#### f. Committee of Directors

- **Constitution of the Committee**

The composition of the Committee of Directors ('COD') as on March 31, 2025 is as under:

Sr. No.	Name of the Members	Designation	Member of Committee since
1.	Deepak Maheshwari	: Chairperson, Non-Executive Director	June 26, 2019
2.	Babu Rao Busi	: Member, Independent Director	July 19, 2021
3.	Pallavi Kanchan	: Member, Independent Director	July 22, 2024

a. Bipin Kumar Saraf ceased to be a member w.e.f. July 22, 2024

- **Terms of Reference**

- Noting, ratifying the loans sanctioned by Committee of Executives (COE), providing approvals for loans as per the limits stipulated in the Corporate Credit Policy, of the Company, as amended, from time to time, and to discuss strategic issues in relation to credit policy and review the quality of the credit portfolio of the Company.
- Reviewing, considering, ratifying or approve the loans sanctioned by the Committee of Executives.
- Reviewing the investment strategy, investments made and approve investment related proposals
- Reviewing, considering and approving the borrowings / investments made by the Company in the best interest of the Company
- Reviewing and approving the proposals relating to the Company's business / operations covering all its departments and business segments.

- **Meetings Held**

COD met Thirteen (13) times during the FY 2024-25 on May 13, 2024, June 06, 2024, July 16, 2024, September 12, 2024, September 26, 2024, October 29, 2024, December 19, 2024, December 28, 2024, January 24, 2025, January 29, 2025, February 10, 2025, February 24, 2025 and March 25, 2025.

#### g. Corporate Social Responsibility Committee

- **Composition of the Committee**

The Corporate Social Responsibility committee is formed in compliance with the provisions of the Act.

The composition of the Corporate Social Responsibility Committee as on March 31, 2025 is as under:

Sr. No.	Name of the Members	Designation	Member of Committee since
1.	Pallavi Kanchan	: Chairperson, Independent Director	January 12, 2023
2.	U B Pravin Rao	: Member, Independent Director	July 22, 2024
3.	Sai Giridhar	: Member, Managing Director & CEO	January 01, 2025

a. Deepak Maheshwari, K. Narasimha Murthy ceased to be a member w.e.f. July 22, 2024

b. Bijju Pillai ceased to be a member w.e.f. September 06, 2024

c. Bipin Saraf appointed as a Member w.e.f. September 7, 2024 and ceased to be a member w.e.f. December 31, 2024 (closure of business hours)

- **Terms of Reference**

The terms of reference of CSR are aligned with the regulatory requirements mandated in the Act and Rules made thereunder and as per the charter approved by the Board of the Company. The main terms of reference include:

- Formulating and recommending to the Board, the CSR Policy of the Company, in terms of the relevant provisions of the Act and the rules made thereunder
- Reviewing and approving, the CSR projects / programmes to be undertaken by the Company either directly or through Axis Bank Foundation (ABF) or through implementation partners as deemed suitable, during the fiscal year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR policy of the Company

- iii. Reviewing and approving the funds to be allocated for the CSR projects / programmes to be undertaken by the Company during the fiscal year, in terms of the CSR policy of the Company, subject to compliance with section 135(5) of the Act.
- iv. Reviewing implementation of the CSR policy and annual action plan

- **Meetings Held**

CSR Committee met two (2) times during the FY 2024-25 on April 17, 2024 and June 19, 2024.

#### **h. Information Technology (IT) Strategy Committee**

IT Strategy Committee has been formed as per the Master Directions – Information Technology Framework for the NBFC Sector issued by RBI dated June 08, 2017 and as amended from time to time.

- **Composition of the Committee**

The composition of the IT Strategy Committee as on March 31, 2025 is as under:

Sr. No.	Name of the Members	Designation	Member of Committee since
1.	U.B. Pravin Rao	: Chairperson, Independent Director	April 14, 2022
2.	K. Narasimha Murthy	: Member, Independent Director	January 12, 2023
3.	N. Rajashekar	: Member, Independent Director	July 22, 2024
4.	Sai Giridhar	: Member, Managing Director & CEO	January 01, 2025

- a. Biju Pillai ceased to be a Director w.e.f. September 06, 2024
- b. Kishore Babu Manda and Navalkumar Lad ceased to be members w.e.f. July 22, 2024
- c. Bipin Saraf appointed as a Member w.e.f. September 7, 2024 and ceased to be a member w.e.f. December 31, 2024 (closure of business hours)

- **Terms of Reference**

The terms of reference of IT Strategy Committee are aligned with the regulatory requirements mandated by the RBI Master Directions and as per the charter approved by the Board of the Company. The main terms of reference include:

- i. Ensuring that management has an effective IT strategic planning process in place
- ii. Ensuring that the IT organizational structure serves the business requirements of the Company and its direction
- iii. Exercising oversight over implementation of processes and practices so as to ensure that IT delivers value to the businesses of the Company;
- iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources
- v. Assessing the exposure to IT risks and its controls and evaluating effectiveness of management in monitoring of such IT risks;
- vi. Reporting of IT and Cyber Security incidents / frauds

- **Meetings Held**

IT Strategy Committee met four (4) times during the FY 2024-25 on April 15, 2024, June 18, 2024, September 24, 2024 and December 23, 2024.

#### **i. Review Committee**

Review Committee has been formed as per the Master Directions issued by the RBI with respect to Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024 and as amended from time to time.

- **Composition of the Committee**

The composition of the Review Committee as on March 31, 2025 is as under:

Sr. No.	Name of the Members	Designation	Member of Committee since
1.	Sai Giridhar	Chairperson, Managing Director & CEO	January 01, 2025
2.	K. Narasimha Murthy	Member, Independent Director	October 12, 2024
3.	Deepak Maheshwari	Member, Non-Executive Director	October 12, 2024

- a. Bipin Saraf ceased to be the member w.e.f. December 31, 2024 (closure of business hours)

- **Terms of Reference**

The terms of reference of Review Committee are aligned with the regulatory requirements mandated by the RBI Master Directions and as per the charter approved by the Board of the Company. The main terms of reference include:

- Review and confirm the order(s) passed by the Identification Committee identifying a borrower as a wilful defaulter
- Review of accounts classified as wilful defaulter

- **Meetings Held**

There were no meetings held during the FY 2025.

## 5. SENIOR MANAGEMENT AND CHANGES THEREIN

As on March 31, 2025, the details of Senior Management are as below:

Sr. No.	Name of the Person	Role
1.	Sai Giridhar	Managing Director & CEO
2.	Amith Rangan Iyer	Chief Financial Officer
3.	Rajneesh Kumar	Company Secretary & Head Legal
4.	Vishal Sharan	President and Business Head Corporate Banking
5.	Deepti Dayal	Head Corporate Credit
6.	Balaji Natarajan	Chief Operating Officer
7.	Dominic Robert Oliveira	Chief Audit Executive
8.	Navalkumar Kamalakara Lad	Chief Technology Officer
9.	Kishore M Babu	Chief Risk Officer
10.	Radhika Nishir Gordhandas	Vice President-HR
11.	Bal Krishna Thakur	Chief Compliance Officer

Changes during the FY 2025 for Senior Management are as below:

Sr. No.	Name of the Person	Remarks
1.	Biju Pillai	Ceased to be a Director w.e.f. September 06, 2024
2.	Bipin Saraf	Ceased to be a Director w.e.f. December 31, 2024 (closure of business hours)
3.	Sai Giridhar	Appointed as a Managing Director & CEO w.e.f. January 01, 2025
4.	Balaji Natarajan	Appointed as Chief Operating Officer w.e.f. February 01, 2025
5.	Dhairya Shah	Ceased to be Chief Operating Officer w.e.f. January 22, 2025

## 6. REMUNERATION OF DIRECTORS

### a. Pecuniary relationship / transactions with the Non-Executive Directors

During the FY 2025, there were no pecuniary relationship / transactions with any Non-Executive Directors of the Company, apart from receiving remuneration as directors. During the FY 2025, the Company did not advance any loans to any of its directors and to firms / companies in which Directors are interested.

### b. Criteria for sitting fees / commission / remuneration paid to Non-Executive Directors

The criteria for appointment of Directors and the remuneration is available on the website of the Company at [https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/a4/a498fc65-f4c8-4222-8955-96ec8a8a9040/Remuneration%20Policy\\_V2.pdf](https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/a4/a498fc65-f4c8-4222-8955-96ec8a8a9040/Remuneration%20Policy_V2.pdf)

All the Directors of the Company except for Amitabh Chaudhry and Puneet Sharma receive sitting fees and commission, however all the Directors are eligible for reimbursement of out-of-pocket expenses for attending each meeting of the Board and its various Committees. No stock options are granted to any of the non-executive directors.

**c. Sitting Fees:**

Sitting fees was paid to all the Non-Executive Directors (except Amitabh Chaudhry and Puneet Sharma) of the Company. The sitting fees for attending meetings of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Committee of Directors and separate meeting of Independent Directors is ₹ 1,00,000 per meeting. Sitting fees for attending meetings of the Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Customer Grievance Redressal Committee, IT Strategy Committee and Review Committee meeting is ₹ 50,000/- per meeting.

**d. Commission:**

During the year under review, the Company acknowledging the crucial role played by Non-Executive Directors in bringing objectivity into the functioning of the Board (including the committees of the Board) and improving its effectiveness, approved to pay remuneration with effect from FY 2025 by way of annual commission to Non-Executive Directors including Independent Directors (excluding those who are currently in employment with Axis Bank Limited or in any of the group companies) for an amount of ₹ 1,00,000/- (Rupees Ten lakh only) such that the aggregate commission to be capped to 1% of the net profit of the Company in the preceding year and in case the net profits are lower in any year, then the fixed commission shall be adjusted to the capped limit. Any Non-Executive Director being appointed during the financial year shall be paid on a pro-rata basis.

**e. Remuneration paid to Executive Directors**

The details of remuneration paid to Managing Director & CEO and Deputy Managing Director during FY 2025, is as under:

	(in ₹)		
Particulars	Sai Giridhar@	Bipin Saraf*	Biju Pillai^
Salary (Basic)	18,75,000	52,69,320	27,47,160
Leave Fare Consession facility	-	-	-
House rent allowance	9,37,500	26,34,660	13,73,580
Special Allowance	30,59,250	87,83,649	72,12,170
Joining Bonus	1,35,00,000	-	-
Variable Pay (2023-24)	-	39,10,532	33,49,248
Variable Pay (2022-23)	-	98,63,105	89,00,000
Variable Pay (2021-22)	-	80,80,000	71,50,000
Superannuation allowance / fund	-	-	-
Utility Allowance	-	-	-
Perquisites (Excluding ESOP)	3,76,776	5,96,753	-
ESOP Perks	-	1,88,21,880	8,60,06,850
Unutilised Car benefit	-	-	-
Provident fund	12% of Basic	12% of Basic	12% of Basic
Gratuity	Gratuity pay-outs will be applicable as per the Axis Finance policy which is 30 / 30	Gratuity pay-outs will be applicable as per the Axis Finance policy which is 30 / 30	Gratuity pay-outs will be applicable as per the Axis Finance policy which is 30 / 30\$
ESOP Units	-	1,34,750	1,12,290
Leave Encashment	-	-	-

\*-up to December 31, 2024

^-up to September 06, 2024

@-w.e.f. January 01, 2025

\$-An amount of Rs. 26,41,500/- was paid to Biju Pillai on account of Gratuity payable in Full and Final Settlement

Notes:

- Service Contracts and the notice period are as per the terms of agreement entered into by the Company with Managing Director & Chief Executive Director and Deputy Managing Director
- No severance fee is payable by the Company on termination of these contracts
- No sitting fees was paid to Managing Director & CEO and Deputy Managing Director for attending meetings of the Board and / or its Committees.

The variable component of remuneration (Performance Linked Incentive) for Executive Directors are determined on the basis of several criteria including their individual performance as measured by achievement of their respective

key result areas, strategic initiatives taken and being implemented, their respective roles in the organization, fulfilment of their responsibilities and performance of the Company. This is in accordance with the Company's Remuneration Policy of the Company.

## 7. GENERAL BODY MEETINGS

### i. Annual General Meetings

Sr. No.	Financial Year	Date	Time and Venue	Special Resolutions passed
1.	2021-22	June 6, 2022	<b>Time:</b> 10:00 a.m.; <b>Venue:</b> Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025	a. Appointment of U B Pravin Rao as an Independent Director b. Increase in Borrowing Limits upto ₹ 40,000 Crore c. To sell, lease, create charge etc. over the assets of the Company for borrowings upto ₹ 40,000 Crore d. Issue of debentures/bonds on a private placement basis upto ₹ 24,000 Crore
2.	2022-23	June 6, 2023	<b>Time:</b> 09:00 a.m.; <b>Venue:</b> Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025	a. Increase in borrowing limits of the Company up to ₹ 45,000 Crore b. Increase in limits for creation of charge on the assets of the Company up to an amount of ₹ 45,000 Crore c. Issue of debentures/bonds on a private placement basis up to ₹ 24,000 Crore d. Sell, assignment, securitisation under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore
3.	2023-24	June 19, 2024	<b>Time:</b> 09:00 a.m.; <b>Venue:</b> Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025	a. Increase in borrowing limits of the Company up to ₹ 70,000 Crore b. Increase in limits for Creation of charge on the assets of the Company up to an amount of ₹ 70,000 Crore c. Issue of Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore d. Sell, assignment, securitization under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore

During the year under review, no postal ballot exercise was conducted.

### ii. Extra-Ordinary General Meeting

Financial Year	Date	Time and Venue	Special Resolutions passed
2024-25	September 18, 2024	<b>Time:</b> 09:30 a.m. <b>Venue:</b> Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025	a. Payment of remuneration by way of commission to Non-Executive Directors including Independent Directors of the Company b. Appointment of Shri Narasimhan Rajashekar (DIN: 02313710) as an Independent Director of the Company

## 8. MEANS OF COMMUNICATION

Your Company have established robust procedures to disseminate relevant information in a planned manner to our shareholders, debenture holders, employees and the society at large. The details of the means of communication with shareholders / debenture holders / other stakeholders are given below:

### a) Publication of Quarterly Results

Quarterly, Half-yearly and Annual Financial Results of the Company are sent to the Stock Exchanges where the securities of the Company are listed i.e. BSE Limited and published in The Financial Express, leading English newspaper having nationwide circulation. Simultaneously, they are also put on the Company's website and can be accessed at <https://www.axisfinance.in/investors-corner/financials>



**b) Website**

The Company's website, [www.axisfinance.in](http://www.axisfinance.in) contains a separate dedicated section 'Investors Corner' where all the shareholders' / debenture holders information is available.

**c) Annual Report**

The Annual Report containing, inter alia, Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report. The Company's Annual Report is also available in a downloadable form on the Company's website i.e. <https://www.axisfinance.in/investors-corner/annual-report>

## 9. GENERAL SHAREHOLDER INFORMATION

**a) Company Registration Details**

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65921MH1995PLC212675.

**b) Annual General Meeting**

**Date:** Tuesday, June 17, 2025

**Time:** 09:00 a.m.

**Venue:** Axis House, Ground Floor, P.B. Marg, Worli, Mumbai – 400 025

**c) Financial year**

Your Company follows the Financial Year from April 01, 2024 – March 31, 2025

**d) Dividend payment date**

Not Applicable

**e) Listing on Stock Exchanges**

Your Company has issued privately placed non-convertible debentures, which are listed on BSE Limited located at Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. Your Company has paid the Annual Listing Fees to BSE Limited where its debentures are listed for the year ending 2025.

**f) In-case the securities are suspended from trading, the directors report shall explain the reason thereof**

Not Applicable

**g) Registrar & Share Transfer Agent**
**Share Transfer Agents:**

KFin Technologies Limited (formerly known as KFin Technologies Private Limited), are the Share Transfer Agents for equity shares of the Company. The contact details of KFin Technologies Limited are given below:

**KFin Technologies Limited**

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032

Tel: 040-68301881

E-mail ID: [unlservices@kfintech.com](mailto:unlservices@kfintech.com)

**Registrar & Transfer Agents:**

MUFG Intime India Private Limited (erstwhile Link Intime India Private Limited), are the Registrar and Transfer Agents for Non-Convertible Debentures of the Company. The contact details of Link Intime India Private Limited are given below:

**MUFG Intime India Private Limited**

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083

Tel: +91 22 49186000

Email: [debtca@in.mpms.mufg.com](mailto:debtca@in.mpms.mufg.com)

**h) Debenture Trustee**

Catalyst Trusteeship Limited

(Formerly known as GDA Trusteeship Limited)

Unit No-901, 9<sup>th</sup> Floor, Tower – B, Peninsula Business Park,

Senapati Bapat Marg,

Lower Parel (W),

Mumbai – 400013

Tel: +91-22 4922 0555

Fax: +91-22 4922 0505

Email: [dt@ctltrustee.com](mailto:dt@ctltrustee.com)

Website: [www.catalysttrustee.com](http://www.catalysttrustee.com)

**i) Share Transfer System**

All the shares are held in electronic form and the transfers are processed by National Securities Depository Limited (NSDL).

**j) Distribution of shareholding as on March 31, 2025:**

Sr. No	Number of Shares held	% of holding	Face value of Shares	Total value of shares (₹)
1.	69,35,70,474	99.999991	10	693,57,04,740
2.	21	0.000003	10	210
3.	11	0.000002	10	110
4.	11	0.000002	10	110
5.	11	0.000002	10	110
6.	10	0.000001	10	100
7.	1	0.000000	10	10
<b>Total</b>	<b>69,35,70,539</b>	<b>100</b>		<b>693,57,05,390</b>

The Company does not have any preference shareholding during the period under review.

**k) Dematerialisation of shares and liquidity**

All the Equity shares of the Company are in dematerialised form as on March 31, 2025. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE891K01013.

**l) Outstanding Global Depository Receipts ('GDR') or American Depository Receipts ('ADR') or Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the financial year under review and the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments.

**m) Commodity price risk or foreign exchange risk and hedging activities:**

Not Applicable

**n) Plant Locations:**

Not Applicable

**o) Address for correspondence:**

Rajneesh Kumar

Company Secretary

Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai, Maharashtra, India, 400025

Email: corporate.secretarial@axisfinance.in

Website: www.axisfinance.in

Tel: 22 6226 0117

**p) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad:**

Details pertaining to Credit Ratings obtained by the Company are included in the Directors' Report under the Credit Ratings section.

**q) Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund:**

During the year under review, no amount was due for transfer to Investor Education and Protection Fund.

## 10. OTHER DISCLOSURES

**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

None

**b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or Reserve Bank of India or any statutory authority or regulator or the board on any matter related to capital markets, during the last three years**

None

Further, during FY 2025, no penalties or strictures were imposed on the Company by the Reserve Bank of India or any other statutory authority.

**c. Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee**

The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

- The Company has complied with all the applicable mandatory requirements of the SEBI Listing Regulations.
- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinion.
- The Company has separate posts for Chairman of the Company and Managing Director & CEO. The Chairman of the Company is a Non-Executive Director and not related to Managing Director & CEO of the Company.

**e. Web link where policy for determining 'material' subsidiaries is disclosed**

Not Applicable

**f. Web link where policy on dealing with related party transactions**

<https://www.axisfinance.in/investors-corner/disclosure-under-regulation-62>

**g. Disclosure of commodity price risks and commodity hedging activities**

Not Applicable

**h. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

Not Applicable

**i. A certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority**

The Company has obtained certificate from KTS & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority, enclosed as Annexure I

**j. The board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof –**

During FY 2025, all the recommendations of the various Committees of the Board were accepted by the Board.

**k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part –**

The particulars of payment of fees to Statutory Auditors is provided in notes forming part of financial statement for the year ended March 31, 2025.

**l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- i. number of complaints filed during the financial year- Nil
- ii. number of complaints disposed of during the financial year-1 (one complaint received on the POSH ID did not qualify under POSH)
- iii. number of complaints pending as on end of the financial year- Nil

**m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount**

Nil

**n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

Not Applicable

**11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED**

Nil

**12. THE CORPORATE GOVERNANCE REPORT SHALL ALSO DISCLOSE THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED –**

The Company has adopted the following discretionary requirements as specified in Part E of Schedule II:

- i. The Company has adopted regime of financial statement with unmodified audit opinion.
- ii. The Company has appointed separate posts of Chairman and the Managing Director & CEO
- iii. that Chairman is a Non-Executive Director and not related to Managing Director & CEO.

**13. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT -**

The Company being a High Value Debt Listed Entity, the Company is in compliance with corporate governance requirements specified in regulation 17 to 27 of the Listing Regulations. Further, the clauses (b) to (i) of sub-regulation (2) of regulation 46 are not applicable to the Company.

**14. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

The Company has adopted a Code of Conduct for its Directors and Senior Management which is available on the Company's website - <https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/2c/2c664277-0959-4f0f-a9b4-d4c3b0b85bc0/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf>

All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with the aforementioned Code. A declaration signed by the Managing Director & CEO to this effect is enclosed as **Annexure II**.

**15. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT**

Not Applicable

**16. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES**

Not Applicable

**17. COMPLIANCE WITH SECRETARIAL STANDARDS AND ACCOUNTING STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. Further, The Company has complied with the applicable Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs under section 133 of the Act.

On behalf of the Board of the Directors

Sd/-

**Amitabh Chaudhry**

Chairman

DIN: 00531120

Place: Mumbai

Date: April 17, 2025

## Annexure I

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**Axis Finance Limited**

Axis House, Ground Floor,  
Wadia International Centre,  
Worli, Mumbai – 400025.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Axis Finance Limited having CIN U65921MH1995PLC212675 and having registered office at Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai, Maharashtra, India, 400025 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No	Name of Director	DIN	Date of Appointment in the Company
1	Amitabh Chaudhry	00531120	17/01/2019
2	Babu Rao Busi	00425793	16/04/2021
3	Deepak Maheshwari	08163253	26/06/2019
4	K Narasimha Murthy	00023046	12/01/2023
5	Pallavi Kanchan	07545615	12/01/2023
6	U B Pravin Rao	06782450	14/04/2022
7	Narasimhan Rajashekar	02313710	26/06/2024
8	Puneet Sharma	06964749	26/06/2024
9	Sai Giridhar	10757486	01/01/2025

*Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.*

FOR KTS AND ASSOCIATES  
(Practicing Company Secretaries)

Sd/-

**Tarlic Shah**

Partner

ACS No.: 55160

CP No.: 20503

PR No.: 6539/2025

UDIN: A055160G000096707

Place: Pune

Date: April 14, 2025



## Annexure II

### **COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS AND THE CODE OF CONDUCT AND ETHICS OF THE COMPANY, FOR FINANCIAL YEAR 2025**

[Pursuant to Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
**Axis Finance Limited**  
Axis House, Ground Floor,  
Wadia International Centre,  
Worli,  
Mumbai - 400025

I hereby confirm that for the year under review, all the directors and members of the senior management of the Company, have affirmed compliance with the said codes, as applicable to them.

Place: Mumbai

Date: April 17, 2025

Sd/-

**Sai Giridhar**

Managing Director & CEO

# Annexure-4

## FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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

### I. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

Sr. No	Particulars	Remarks
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

### II. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sr. No	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	: Axis Bank Limited (Holding Company)
b)	Nature of contracts/arrangements/transactions	: <ol style="list-style-type: none"> <li>Rent Paid</li> <li>Bank Charges</li> <li>TREPS Charges</li> <li>Current Account Balance</li> <li>Fixed Deposit Accounts</li> <li>Capital Infusion</li> <li>OPE Reimbursement</li> <li>NACH Charges</li> <li>IPA Commission Charges Paid</li> <li>Service Charges Other (IT Service Fees)</li> <li>NCD Issue Expenses (Arrangership Fees)</li> <li>Interest Paid on Loan</li> <li>Loan taken</li> <li>Interest on Fixed Deposits</li> <li>Issuance of Non – Convertible Debentures</li> <li>Royalty Charges</li> <li>Interest Paid on NCD</li> <li>ESOP Cost</li> <li>Servicing Fee</li> <li>Processing fee</li> <li>Future service gratuity premium</li> <li>Deputation cost</li> </ol>
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	: Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	: Nil

### III. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sr. No	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	: Axis Securities Limited (Fellow Subsidiary)
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	: Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	: Nil

### IV. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sr. No	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	: Axis Trustee Services Limited (Fellow Subsidiary)
b)	Nature of contracts/arrangements/transactions	: 1. Professional Fees 2. Reimbursement of expense
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	: Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	: Nil

### V. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sr. No	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	: Axis Max Life Insurance Company Limited (Associate of Holding Company)
b)	Nature of contracts/arrangements/transactions	: 1. Insurance Commission 2. Advertisement Income
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	: Transaction at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	: Nil

# Annexure-5

## Management Discussion and Analysis

### INDIAN ECONOMIC OVERVIEW

India's economy experienced a period of moderation in H1FY2024-25 driven by residual effects of past weak monsoons that weighed on rural demand, as well as inadvertent fiscal tightening ahead of Union and state elections, compounded by constrained bank financing conditions given INR defence amid limited capital inflows, contributed to the overall slowdown.

Recent trends across high-frequency indicators signal a nascent recovery, with both rural and urban consumption displaying improving momentum. While headline capex still appears to lag, including at the government end, this may partly reflect a deflation in capital goods prices, with capex in real terms stable as a proportion of GDP.

Macroeconomic uncertainty and volatility likely lie ahead, given trade and tariff negotiations and geopolitical shifts, exposing the external sector to significant uncertainty. India inflation has slowed, largely driven by a fall only in vegetable prices, with other measures of core inflation showing signs of firming, potentially in line with recovering growth.

Trade also appeared to be front-loaded ahead of tariffs. The INR has returned to more volatile trading conditions, after constriction of volatility earlier on proved to be negative for external buffers. The RBI has begun rate cuts, but far more important is easing liquidity and macroprudential policy to transmit monetary easing going ahead, allowing for the latent recovery in the growth impulses to ensure broad-based transmission across the economy.

### GLOBAL ECONOMIC OVERVIEW

The global economy continued to see divided performance in 2024, with strong US growth driven by fiscal policy contrasting with limited impulses in Europe, given political shifts as well as fiscal restrictions. The Chinese economy remained in deflation along with slowing growth, with government stimulus seen as less than required to drive growth, perhaps saving firepower to be used depending on the result of the US election. In contrast, Japanese growth was seen recovering late in the year after the effects of political shifts and the strong JPY faded.

Global inflation had slowed, with softening of services prices in Europe coupled with excess capacity for goods in China. With weaker growth conditions, central banks began rate cuts, with the Fed beginning its cycle with a 50 bps move. Of late, monetary easing has turned more cautious, with the Fed looking at the effects of tariffs, while European policy turns cautious after having cut 150 bps, given likely shifts in fiscal rules allowing for more spending. Chinese rate easing was also halted to defend the CNY, with rates being pushed higher and liquidity being drained, while Japanese policy now appears to have the cover to raise interest rates steadily.

### FY 2026 OUTLOOK: MACRO-ECONOMIC ENVIRONMENT

The global environment is likely to remain marked by policy uncertainty, especially around trade, which may affect growth evolution, inflation, and market dynamics. Recent trends indicate fiscal policy will likely turn more expansionary across countries, supporting growth and national security prerogatives, potentially limiting synchronised monetary global easing. Trade and tariffs negotiations are anticipated to persist through the year, following the first announcement of US reciprocal tariffs in early April. This backdrop may weigh on lower global trade volumes, constrain financial flows, and increase global capital volatility. Commodity prices, especially for tariffs-affected goods, are expected to be volatile, with economic agents competing for physical supply over available futures-linked markets.

The status of the erstwhile Fed and US government 'puts' will also need to be seen, with current thinking of the government paying more attention to fixed income rather than equity markets. The focus is also on a potential international deal on currency markets, but this, for now, appears to be distant. Developments around the Russia/Ukraine war, leading to a ceasefire, are also closely watched.

## INDIAN ECONOMY REVIEW

India's growth momentum slowed in FY2024- 25, in line with unintended fiscal tightening ahead of Union and state elections, residual impact of weak monsoons in past years on rural demand, and tight banking conditions, in terms of liquidity and macroprudential requirements. Liquidity pressures were exacerbated in Q3, with the RBI allowing for unsterilised defence of the INR, taking durable liquidity to negative levels even after CRR cuts of 0.5% of NDTL.

However, this began to show some early recovery signs, starting with tractor sales and rural-related indicators, given the good monsoon and government cash transfer programmes, which later began to reflect across multiple high-frequency indicators, including GAT collections, hotel revenues, air traffic, auto registrations, Fastag payments, electricity consumption, and hiring momentum. While trade also began to improve, the numbers appear to be at least partly skewed by the front-loading of activity ahead of global tariffs.

Lately, IIP prints have improved, with a notable pickup in capital goods output. With these indications, Q3 GDP growth improved from the bottom of 5.6% in Q2. Notably, the year saw improvements in consumption share, while that of fixed investment was lower (both in nominal terms), matching corporate cash flow data and bank lending statistics. However, this divergence fades on a real basis, and is driven by a shift in the terms of trade between consumption goods and services (CPI inflation) and investment goods and services.

At the same time, CPI inflation was stubbornly high in the year, largely stemming from vegetable prices, while inflation of vegetables was lower, along with other core inflation numbers. Vegetable prices were found to have responded to shocks more on the way up than on the way down. As the year progressed, inflation was impacted by increased global edible oil prices, compounded by domestic duties, prices of gold and silver, telecom tariffs, etc. There is also some indication, seen in surveys and other anecdotes, of services and core inflation rising in response to improving growth conditions. This has resulted in CPI inflation ex-vegetables and other core measures rising, though this has so far been masked by faster-than-expected moderation in food prices over Q4.

The external sector has been a source of stress in the year, given near-zero net FDI compounded by FPI outflows, given uncertain market conditions. The RBI's choice to enforce a low volatility INR regime at this time led to a bias towards defending against outflows, resulting in a large drain of FX reserves, especially when the positions of shorts built up through sterilisation are considered, led to increased volatility once again being allowed, leading a sharp depreciation in the currency, despite a very mild current account deficit.

The fiscal front has seen limited spending on capex, with ambitious initial targets proving impracticable for logistical and other reasons. With this, the budget for capex for FY2024- 25 was revised lower, while other assumptions have been credible. Tax collection numbers for FY2025- 26 may show some optimism on the direct taxes front, but the overall budget has enough buffers to make up for underperformance here. However, the FY2025- 26 budget is also notable for a skewback towards domestic consumption from investments, most notably in the slowing number for capex, including revenue grants for creation of capital assets and PSE IEBR, as well as in easing of tax brackets at the lower end.

The RBI has at this point begun the process of reversing the degree of tightness imposed earlier. This is being done not just through rate cuts but also as steps to infuse durable liquidity through OMO purchases and FX swaps. This will boost bank deposits as well as reduce pressure on the INR, given a somewhat lower level of FX reserves. In addition, the RBI is also reversing some earlier tightening of macroprudential rules for lending to NBFCs, likely to boost retail lending. These steps have already reduced liquidity stress to an extent, though more is expected in early April.

## FY 2026 OUTLOOK: MACRO-ECONOMIC ENVIRONMENT

India is likely to see a broadening of the recovery as seen in high-frequency indicators and supported by RBI easing measures. To an extent, the fading of the strong USD cycle has also reduced stresses on the INR and given cover for domestic easing, so developments here remain important. This would imply that developments in US politics and policy will influence not just trends for India's trade and tariffs, but also interest rates, INR, savings, investments and growth in the near term. These overlay structural growth drivers are in real estate and renewable energy, with the latter potentially being a new source of investments and FDI. Currently, the outlook remains of further policy easing, with liquidity and deposits turning more comfortable in H1FY2025-26. Growth momentum currently, on a low base, is likely to reflect in a strong pickup in the numbers. Interest

rates are likely to come moderately lower in line with domestic easing and global trends, while the INR will likely find some natural stability, albeit at levels considerably weaker than averages of FY2024- 25.

Further, if consumption is truly spurred by government policy, the current account deficit might widen, unless investments contract sharply. On the fiscal front, behaviour of tax collections is closely watched, though the RBI dividend is likely to be large. State fiscal metrics, including financing of cash transfer schemes, potentially at the cost of capex, are also in focus.

## INDUSTRY OVERVIEW

As the country progresses, demand for credit is likely to remain strong, especially among Micro, Small and Medium Enterprises (MSMEs) and retail.

NBFCs have emerged as the crucial source of finance for a large segment of the population, including SMEs and economically unserved and underserved people. They have managed to cater to the diverse needs of the borrowers in the fastest and most efficient manner, considering their vast geographical scope, understanding of the various financial requirements of the people and enhanced turnaround times. Non-bank money lenders have played an important role in the financial inclusion process by supporting the growth of millions of MSMEs and independently employing people.

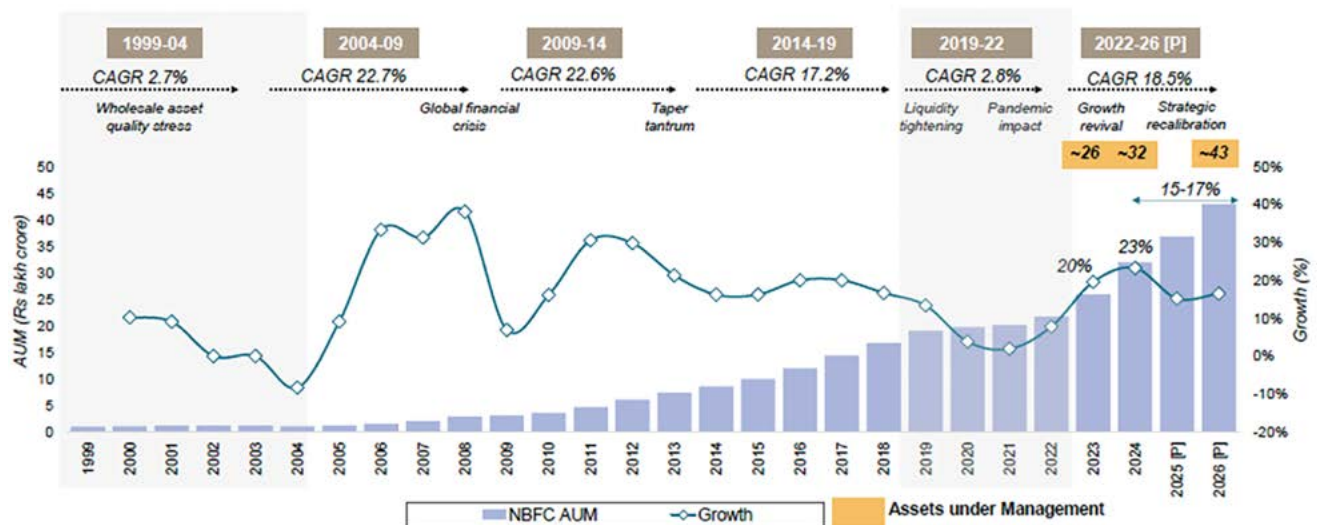
The sector has grown significantly, with several players with heterogeneous business models starting operations. The last few years have been transformational in the Indian financial services landscape. The increasing penetration of neo-banking, digital authentication, UPI usage and mobile phone as well as mobile internet has resulted in the modularisation of financial services, particularly credit.

## OUTLOOK

According to the CRISIL report – NBFC: On a risk-focused growth journey, assets under management (AUM) of the NBFC sector are expected to grow 15%-17% in this fiscal. Additionally, NBFCs are adopting a 3R Strategy to manage the dynamic operating and regulatory environment. Strategic Recalibration of growth, Resource profile diversification and deepening Risk and operations focus. Asset quality is likely to remain range-bound; however, some uptick in early delinquencies is seen in some segments. Growth is expected to slow down across segments, with unsecured segments expected to see a greater impact

### AUMs Growth

Growth recalibration is underway, but sector remains resilient



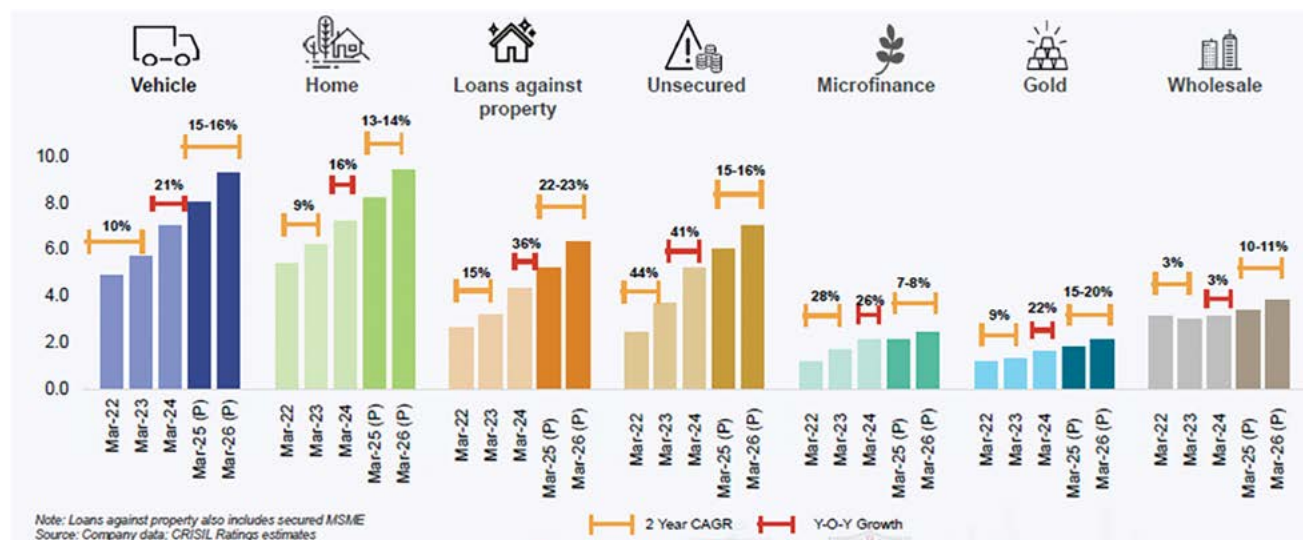
Source: Company data; CRISIL Ratings estimates Note: NBFCs includes HFCs but excludes government owned and HDFC Limited across all years

Source: CRISIL Ratings



## AUM Growth led by the segments

Growth to slow across segments; unsecured loans to see greater impact



Source: CRISIL Ratings

## Regulatory Developments in the NBFC Sector (FY 2024-25)

During the financial year 2024-25, the Reserve Bank of India (RBI) introduced several important regulatory measures aimed at strengthening governance, enhancing customer protection, and reinforcing risk management practices across the Non-Banking Financial Company (NBFC) sector. The key regulatory developments are summarised below:

- Key Facts Statement (KFS) – Uniformity and Transparency**  
 The RBI mandated that all Regulated Entities, including NBFCs, must provide a KFS to borrowers for all retail and MSME term loans. This move ensures greater transparency by providing standardised, easy-to-understand information on loan terms, helping customers make informed credit decisions.
- Fair Practices Code (FPC) – Interest Charging Norms**  
 RBI circular emphasised that interest should be charged on the actual outstanding balance only, and penal charges should not be levied in the form of interest. This promotes responsible lending and fair treatment of borrowers.
- Master Direction on Frauds**  
 To ensure uniformity in fraud identification and reporting, the RBI issued a revised Master Direction on Frauds – Classification, Reporting and Monitoring. It lays down standardised timelines and formats for reporting, along with guidance on detection, investigation, and internal controls.
- Master Direction on Wilful and Large Defaulters**  
 The RBI issued a comprehensive Master Direction on Treatment of Wilful Defaulters and Large Defaulters, laying down clear definitions, identification procedures, and timelines. The Master Direction on wilful defaulters provides for a non-discriminatory and transparent procedure, having regard to the principles of natural justice, for classifying a borrower as a wilful defaulter by the lenders.

These measures reflect the RBI's ongoing efforts to align NBFC regulations with those of the banking sector, strengthen financial stability, and ensure customer-centric practices. The Company continues to maintain and upgrade internal controls, systems and processes to align with evolving regulatory expectations.

## BUSINESS OVERVIEW

Axis Finance Limited is a uniquely positioned AAA-rated NBFC catering to corporate, retail and MSME customer segments with a Pan-India footprint. Since its inception, it has built a strong lending franchise, demonstrated by its staggering growth of 37.97 % CAGR in Assets Under Finance (AUFs) over the last five years, making it one of the fastest-growing Indian NBFCs. This can further be attributed to its strong foundation with a tech-enabled, scalable business model and customer-centric product portfolio.

Customer-centricity, asset quality, granularity and diversification remain the core pillars of the Company through which it continues to serve customers' aspirations and financial needs. The growth strategies are intrinsically aligned to meet the objectives of the core pillars.

Consequently, AFL's strategies and measures have aided in the sustainable growth of the Book to an AUF of ₹ 39,078 Crore as of March 31, 2025. AFL today is a 1650+ manpower strong NBFC spread across 225+ locations, catering to customers across a diversified pool of products and customised financial solutions to Retail, MSMEs and Wholesale verticals.

### AUF Contribution of Different Segments over the Years:

Segment	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Wholesale	97%	79%	59%	49%	47%	44%
MSME	0%	0%	4%	7%	6%	6%
Retail	3%	17%	33%	41%	45%	47%
Treasury	0%	4%	4%	3%	2%	3%

Segment	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
AUF (Assets Under Finance)	7,817	11,089	17,261	23,340	32,123	39,078

Retail Segment	MSME Segment	Wholesale Segment
<ul style="list-style-type: none"> <li>Wide range of solutions to salaried, self-employed and Self-employed professionals catering to personal and business requirements</li> <li>Loan against property</li> <li>Loans for the purchase of commercial property</li> <li>Business loans</li> <li>Personal loans</li> <li>Home Loans</li> <li>Disha Home loans (to affordable segment)</li> </ul>	<ul style="list-style-type: none"> <li>Customised loan products catering to specific needs of MSMEs in focused sectors</li> <li>Loans up to ₹ 25 Crore to Small &amp; Medium enterprises</li> <li>Loan against Property</li> <li>Lease Rental Discounting</li> <li>Thematic lending to Education, Healthcare, Hospitality sector.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Loans</li> <li>Collateralised Loans (secured loans against a variety of asset classes with an identified cash-flow – LRDs, Hospital, School, Hotel Funding, etc.)</li> <li>Real Estate Loans (predominantly inventory funding, selective Last Mile and Construction funding basis developer profile)</li> </ul>

### Diversified Loan Portfolio (basis AUF)

Retail LAP	Micro LAP	Business Loan	Housing Loan	Personal Loan	MSME	Corporate Loan	Collateralised	RE Loans
11,117	603	570	2,259	3,869	2,501	8,184	5,494	3,222

## SEGMENT-WISE REVIEW

### Wholesale Banking

The Wholesale Banking business marked the beginning of AFL's journey in 2013. In the last 12 years, the segment has emerged as a prominent and well-respected leading wholesale lending franchise. The segment has undergone a careful and well-thought-out evolution, aligning its internal strategies to the macroeconomic and regulatory environment dynamics.

With the timely implementation of these strategies, the segment has achieved and sustained a resilient performance across multiple business cycles, delivering best-in-class financial and asset quality metrics.

The expertise of the wholesale segment lies in “service and execution” within a competitive turnaround time to support the customers’ time-sensitive financing requirements. Our client-centric product offerings comprise bespoke solutions and can primarily be divided into the following three categories:

- **Corporate Loans:** Our Corporate loan portfolio comprises the largest share (48%) within the Wholesale Banking segment, providing loan facilities with tenures ranging from 3 months to 10 years to all sizes of corporates (strategic conglomerates, large and mid-sized corporates) diversified across 25+ sectors. ~50% of incremental corporate loan disbursements made in FY2024-25 were in the A- & above rating category, demonstrating our focus on asset quality.
- **Collateralised Loans:** next largest portfolio comprising 33% of wholesale segment share entails secured loans against a variety of asset classes (ready commercial properties, schools, hospitals, hotels, etc) with an identified cash-flow (rent, dividend, royalty, fee, dedicated business revenue, etc). Within the collateralised loan portfolio, the thematic sectors of Education, Healthcare and Hospitality are the core focus areas.
- **Real Estate:** As the RE portfolio largely comprises ready inventory / late-stage projects constituting ~74% of the total RE book as of March 31, 2025, the loans are self-liquidating in nature (via sale of inventory) as demonstrated by the fast churning of the book. The current portfolio holds exposures in select micro-markets and Tier I cities. We are selectively looking to identify opportunities in Tier II cities as well.

FY 2024-25 presented several unfavourable shifts for lending institutions in the macroeconomic and regulatory landscape. Notwithstanding the same, the wholesale book has continued its growth momentum and recorded total disbursements of ₹ 10,164 Crore in Fiscal Year 2025 with a ~11% increase in Asset Under Finance (AUF), which grew from ₹ 15,158 Crore as of March 31, 2024 to ₹ 16,900 Crore as of March 31, 2025. The book continues to remain diversified with an exposure to 25+ sectors, wherein the secured book accounted for ~93% of the total Wholesale AUF.

**16,900 Crore**  
Loan Book

**93%**  
Proportion of  
secured loan book

**55%**  
Proportion of Corporate loan  
book rated A- and above

The asset quality and return metrics underline the book’s resilient and robust performance. In line with the Group’s sustainability ethos, the segment has undertaken multiple digitisation initiatives, increasing automation at every stage of the loan cycle to reduce TAT and strengthen process standardisation. The digitalisation ecosystem of the Wholesale segment comprises:

- For Customer Service/ Feedback/ Grievances: 2-way communication via customer touchpoints on WhatsApp as well as the AFL website
- Early Warning System (EWS) for loan monitoring
- Power BI: interactive dashboards for on-the-go monitoring
- Loan Origination System (LMS): for a system-driven end-to-end sanctioning process
- Sales CRM: a web-based application for customer relationship management that essentially acts as an organisational repository of all partner contacts

### Wholesale Banking Outlook

AFL maintains an optimistic and favourable outlook driven by a robust growth strategy that is in harmony with the GPAS ethos of the Axis Group – Growth, Profitability and Sustainability

- **Growth:** The Company will continue to sustain the book’s growth momentum with renewed vigour and focus. The product mix is expected to remain the same, however, a larger focus is to be directed to building on thematic sectors (healthcare, hospitality and education) to support both yield accretion and promote stable book growth.

- **Profitability:** The Company believes that the strategic approach towards sustaining profitability growth is largely driven by productivity and efficiency. Its long-standing and stable teams will continue to strengthen efficiency parameters. Recalibration of the book composition towards more yield-accretive products and sectors will further support profitability augmentation.
- **Sustainability:** AFL's focus on disciplined credit practices, asset quality and strategic digital transformation remains central to gaining sustainable growth. It aims to accelerate process automation through targeted digital investments to create a more scalable and tech-powered model. The Company has successfully expanded its lending portfolio while upholding robust credit discipline and will continue the same efforts in future.

## MSME

AFL launched its MSME lending portfolio in September 2021 to tap into the potential in MSME financing and drive book diversification. This segment focuses on smaller ticket loans, specifically targeted to MSMEs, especially in the Tier II and III markets. AFL is focused on building a stable and secure book in keeping with its strategy to maintain resilient and robust asset quality.

Since its inception, the segment has established its presence in over 25 locations and has recorded an AUF of ₹ 2,501 Crore as of March 31, 2025, making disbursements of ₹ 1,257 Crore during the fiscal year 2025 with a 100% secured book. The average ticket size stands at approximately ₹ 10 Crore, aligning with its objective of building a granular portfolio. The book is well-diversified across multiple sectors with a targeted focus on thematic sectors, viz, education, healthcare and hospitality.

## MSME Outlook

MSME remains a core strategic focus for the organisation, given its contribution towards portfolio stability and granularity. To further accelerate and sustain our upward growth trajectory, AFL has established two distinct business groups:

- **Business Banking Group (BBG):** A sector-agnostic book that focuses on transaction size from ₹ 7 Crore up to ₹ 25 Crore with an Average Ticket Size of ₹ 10 Crore.
- **Retail Business Banking (RBB):** Book targeting smaller ticket transactions from ₹ 1 Crore up to ₹ 7 Crore with an Average Ticket Size of ₹ 2-3 Crore. The portfolio will have a dedicated focus on the RuSu market and sectors like education, healthcare and hospitality.

## Retail

Post adding the retail segment to the Company's portfolio in FY2019-20, the Retail book has shown staggering growth of 77% CAGR over the past 4 years, an increase in customers acquired by tech-led processes to build scale while maintaining the best-in-class asset quality.

**18,418 Crore**

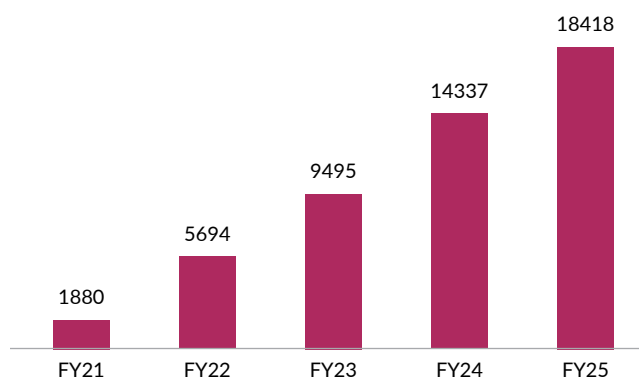
Loan Book

**77%**

CAGR in retail loans  
since FY 2020-21

**76%**

Proportion of secured loan  
book Secured asset base



Over the last couple of years, the Company has built a strong Retail franchise that continues to be a key driver of the overall business strategy. The Company's focused customer-centric approach, strong and differentiated product offerings leveraging cutting-edge technology, along with its wide distribution network, remain the core pillars through which it serves its customers' financial needs and aspirations.

The Retail lending segment provides a bouquet of products led by Loan against Property, Housing Loan, Personal Loan and Business Loan.

- **Loan against Property (LAP):** LAP include loans up to ₹ 10 Crore and tenure up to 20 years against a wide range of properties. These loans are offered through digital processes as allowed by extant guidelines to borrowers based on robust credit assessment at attractive interest rates. Borrowers are assessed based on comprehensive documented / income surrogates by obtaining documents directly from GOI sources such as ITR Portal, GSTIN, Bank statements using AA (account aggregator framework), thus ensuring error-free processing and NIL fabricated income document submission.
- **Micro-LAP:** To fulfil the credit requirements of "Micro enterprises" of the MSME universe, AFL started its specially curated product offering in FY2024-25, to address both the under-served and un-served segments of the micro enterprises by its dedicated direct originations team. Credit assessment will be a judicial mix of judgmental, income-based surrogate assessment of the target segment, with due emphasis placed on granular originations, and faster credit dispensation.
- **Home Loans:** The Company offers loans up to ₹ 10 Crore for purchasing an apartment, residential plot, construction of a new house, renovation/extension of an existing house and balance transfer of home loans from another financial institution. The tenure of this loan ranges up to 30 years.
- **Personal Loans:** The Company offers loans through seamless digital delivery, ranging up to ₹ 50 Lakhs with a tenure of up to 84 months. The Company is one of the leading lenders in debt consolidation, helping borrowers to reduce their debt burden by consolidating all their loans at a competitive rate of interest.
- **Business Loans:** These are collateral-free loans with faster TAT and attractive interest rates. The loans range up to ₹ 50 Lakh and tenure of up to 48 months, enabling businesses to meet short- and long-term financial needs.
- **Affordable Home Loans:** The Company plans to set up a dedicated vertical to leverage the burgeoning opportunities in the affordable housing in FY2025-26. AFL plans to leverage the strong technology stack, well-developed understanding of the self-employed segment to offer a differentiated product offering.

The Company's Retail book grew approximately 28% Y-o-Y, and retail mix was up from 45% Y-o-Y to 47% in FY2024-25. On the disbursements front, the Retail lending segment delivered strong numbers with gross disbursements of ₹ 9,841 Crore in FY 2024-25. The business strategy continued to revolve around achieving higher growth in the secured lending business through its distribution channels. The Company continues to invest in the digital transformation of its existing processes to enhance product delivery and customer experience.

### Digital Transformation

The Company continued to be a trendsetter in ushering transformational digital capabilities leveraging GEN-AI technology, such as a ready reckoner portal for employees, speech-to-text conversion for customer calls, instant service quality checks at the call centre, etc. AFL is also one of the few institutions to implement system-based solutions for regulatory directives such as "interest levy from system handover date".

All core and critical digital systems are in place now for Axis Finance, and the franchise continues its focus on process improvements to improve the productivity, employee performance and customer service. Its current aim is to build a system on scale to manage 10 Lakh customers. In the next year, we will create deeper integration and build APIs for external integration. We have consistently focused on delivering high value to our customers by improving the customer experience at every stage of their journey, from onboarding to exit.

### RETAIL OUTLOOK

AFL will strengthen its retail franchise by increasing its presence in more granular towns and cities, opening branches at select locations, and increasing customer visibility and reach. The market potential in these areas remains significant, with India becoming the most populous country, and retail credit penetration still lacking compared to more developed countries. The Company will continue to adopt a digital-first approach in FY2025-26 to acquire customers by launching a revamped

solicitation workflow, website, bureau rule engine, etc. These milestone projects will help AFL to build a sustainable, profitable retail business franchise.

Asset quality will be of utmost importance, and the book quality and its features will continue to be sought after by our bank partners and financial institutions via direct assignments transactions.

## CREDIT RATING

AFL ranks among India's highest-rated NBFCs, underpinned by a strong business model powered by deep domain expertise, strong customer-centricity, integrated physical and digital outreach and diversified lending solutions with a prudent risk management framework.

Facility	CRISIL	India Ratings	Brickwork ratings	CARE Ratings
Non-Convertible Debenture	CRISIL AAA / Stable	IND AAA / Stable	NA	CARE AAA / Stable
Principal-protected Market-linked Debentures	NA	IND AAA / Stable	NA	CARE AAA / Stable
Subordinated Debt	CRISIL AAA / Stable	IND AAA / Stable	NA	CARE AAA / Stable
Perpetual Debt	CRISIL AAA / Stable	NA	BWR AAA / Stable	CARE AAA / Stable
Long-term Bank Loan	NA	IND AAA STABLE	NA	NA
Short-term Bank Loan	NA	IND A1+	NA	NA
Bank Lines Long Term / Short Term	NA	NA	NA	CARE AAA / STABLE / CARE A1+
Commercial paper	CRISIL A1+	IND A1+	NA	NA

## FINANCIAL PERFORMANCE

Particulars	(₹ in Crore)		
	2024-25	2023-24	% change
Interest Income	3,929.13	2976.70	32.00%
Other Income	171.50	177.43	-3.34%
<b>Total revenue</b>	<b>4,100.64</b>	<b>3154.13</b>	<b>30.01%</b>
Finance Cost	2,435.74	1829.73	33.12%
Employee benefit expenses	274.22	245.18	11.85%
Depreciation, amortisation and impairment	20.29	20.39	-0.50%
Other expenses	170.02	110.26	54.20%
<b>Total expenses</b>	<b>2,900.29</b>	<b>2205.56</b>	<b>31.50%</b>
Profit/loss before taxes and impairment	1,200.35	948.57	26.54%
Impairment of financial instruments	323.15	154.02	109.81%
<b>Profit/loss before taxes</b>	<b>877.20</b>	<b>794.55</b>	<b>10.40%</b>
Tax expenses	224.72	197.35	13.87%
<b>Profit/loss for the period</b>	<b>652.47</b>	<b>597.20</b>	<b>9.26%</b>
Other comprehensive income	(15.58)	(0.99)	1473.73%
<b>Total comprehensive income</b>	<b>636.90</b>	<b>596.21</b>	<b>6.82%</b>

Total revenue increased by 30.01% Y-o-Y (year-on-year) from ₹ 3,154.13 Crore in fiscal year 2024 to ₹ 4,100.64 Crore in fiscal year 2025. Interest income Increased by 32% Y-o-Y (year-on-year) from ₹ 2,976.70 Crore in fiscal year 2024 to ₹ 3,929.13 Crore in fiscal year 2025

Total Expenses has been increased by 31.50% from 2,205.56 Crore in fiscal year 2024 to ₹ 2,900.29 Crore. The increase is mainly due to higher business volumes. PAT increased by 9.26% Y-o-Y (year-on-year) from ₹ 597.20 Crore in fiscal year 2024 to ₹ 652.47 Crore in Fiscal year 2025



## Interest Income

(₹ in Crore)

Particulars	2024-25	2023-24
Interest on Loans (at amortised cost)	3,793.16	2,874.69
Interest income from investments (at amortised cost)	104.90	78.98
Interest income from investments (FVTPL)	24.31	18.88
Interest on Deposit	6.17	3.62
Interest on Lease Deposit	0.49	0.54
Other Interest Income	0.10	0
<b>Total</b>	<b>3,929.13</b>	<b>2,976.70</b>

Interest Income constitutes 95.82% of Total Revenue and there is 32% increase Y-o-Y (year-on-year) from ₹ 2,976.70 Crore in fiscal year 2024 to ₹ 3,929.13 Crore.

## Other Income

(₹ in Crore)

Particulars	2024-25	2023-24
Fees and commission Income	101.17	42.11
Other Operating income	17.89	6.94
Other Income	6.84	1.31
Net gain on fair value changes	26.07	38.51
Net gain/(loss) on Derecognition of financial instruments under amortised cost category	19.53	88.56
<b>Total</b>	<b>171.50</b>	<b>177.43</b>

Other Income constitutes 4.18% of Total Revenue and there is 3.34% decrease Y-o-Y ( year-on-year) from ₹ 177.43 Crore in fiscal year 2024 to ₹ 171.50 Crore in fiscal year 2025 mainly due to lower sell down gain in current financial year

## Finance Costs

(₹ in Crore)

Particulars	2024-25	2023-24
Interest on borrowings	1,229.08	1,001.69
Interest on debt securities	787.64	516.82
Amortisation of discount on commercial paper	171.76	150.56
Interest on subordinated liabilities	228.48	143.55
Interest on lease liabilities	1.41	1.61
Other Finance expense	17.29	15.51
Interest On Income Tax	0.09	-
<b>Total</b>	<b>2,435.74</b>	<b>1,829.73</b>

Major increase is in Finance cost by 33.12% Y-o-Y (Year on year) from ₹ 1,829.73 Crore to ₹ 2,435.74 Crore Interest on borrowings forms major part of Finance cost. There is an increase in borrowings in current year from ₹ 27,943.09 Crore in fiscal year 2024 to ₹ 33,875.34 Crore in fiscal year 2025

## Employee Benefit Expenses

(₹ in Crore)

Particulars	2024-25	2023-24
Salaries and wages	252.01	220.84
Employee Stock Option	6.65	13.09
Contribution to provident and other funds	8.72	6.93
Gratuity expenses	1.86	1.28
Staff welfare expenses	4.98	3.04
<b>Total</b>	<b>274.22</b>	<b>245.18</b>

Employee benefit Expenses has been increased by 11.85% Y-o-Y (Year on year) from ₹ 245.18 Crore to ₹ 274.22 Crore this is mainly due to increase in employee strength, increase in average salary.

## Depreciation, Amortisation and Impairment and Other Expenses

There is increase in Depreciation, amortisation and impairment expenses by 31% compared to last year majorly due to major addition in vehicles and computers

(₹ in Crore)

Particulars	2024-25	2023-24
Depreciation, amortisation and impairment	20.29	20.39
Other expenses	170.03	110.26

## Other Expenses

Other Expenses comprises mainly Professional fees, Travelling & Conveyance ,Collection agency payout expenses , IT support Business promotion and Subscription charges. Other Expenses increased by 54.20% Y-o-Y (Year on year) from ₹ 110.26 Crore to ₹ 170.03 Crore mainly on account of higher business volume.

## Profit Before Tax

There is 10.40% increase in PBT from ₹ 794.55 Crore in Fiscal year 2024 to ₹ 877.20 Crore in Fiscal year 2025.

## Profit After Tax

Profit After Tax has been increased by 9.26% (Y-O-Y) from ₹ 597.20 Crore in Fiscal year 2024 to ₹ 652.47 Crore in Fiscal year 2025.

## BALANCE SHEET PARAMETERS

(₹ in Crore)

Particulars	2024-25	2023-24	% change
<b>Financial Assets</b>			
Cash and cash equivalents	801.25	607.04	31.99%
Receivables	0.40	7.59	-94.75%
Loans	36,752.76	30,356.77	21.07%
Investments	1534.13	1548.16	-0.91%
Other financial assets	192.41	173.69	10.78%
<b>Subtotal Financial Assets</b>	<b>39,280.95</b>	<b>32,693.25</b>	<b>20.15%</b>
<b>Non-Financial Assets</b>			
Current Tax Assets (net)	34.42	50.19	-31.43%
Deferred Tax Assets (net)	143.95	102.65	40.23%
Property, plant and equipment	11.59	8.13	42.46%
Intangible assets under development	0.89	1.02	-12.67%
Other Intangible Assets	17.24	13.92	23.87%
Right-of-use assets	13.50	21.13	-36.12%
Other non-financial assets	14.33	11.79	21.57%
<b>Subtotal Non-Financial Assets</b>	<b>235.91</b>	<b>208.84</b>	<b>12.97%</b>
<b>Total Assets</b>	<b>39,516.87</b>	<b>32,902.09</b>	<b>20.10%</b>

Total assets increased by 20.10% to ₹ 39,516.87 Crore as on March 31, 2025 from ₹ 32,902.09 Crore on March 31, 2024. Out of Total Assets, Financial assets constitutes around 99.40% and there is growth in financial assets by 20.15%. Asset under management for current year is ₹ 41,583 Crore and Asset under Finance for the current year is ₹ 39,078 Crore of which Retail loan book is ₹ 18,418 Crore, Wholesale loan book is ₹ 16,900 Crore, MSME is ₹ 2,501 Crore and treasury is ₹ 1,260 Crore. There is growth of 12.97% in non-financial assets.

### Asset Quality Parameters

- The Company's Gross NPAs ratio increased to 0.87% in FY 2024-25 from 0.46% in FY 2023-24
- The Company's Net NPAs ratio increased to 0.44% in FY 2024-25 from 0.24% in FY 2023-24

### Liabilities and Equity

(₹ in Crore)			
Particulars	2024-25	2023-24	% change
<b>Financial Liabilities</b>			
Payables			
i) Trade Payables			
a) total outstanding dues to micro and small enterprises	-	-	-
b) total outstanding dues of creditors other than micro and small enterprises	0.84	0.64	30.56%
ii) Other Payables	-	-	-
a) total outstanding dues to micro and small enterprises	3.24	2.74	18.23%
b) total outstanding dues of creditors other than micro and small enterprises	46.81	44.92	4.21%
Debt securities	12,668.23	12,096.49	4.73%
Borrowings (Other than debt securities)	17,971.71	13,407.52	34.04%
Subordinated Liabilities	3,235.41	2,439.07	32.65%
Lease Liabilities	14.41	21.33	-32.42%
Other financial liabilities	205.17	758.49	-72.95%
<b>Sub-total-Financial Liabilities</b>	<b>34,145.82</b>	<b>28,771.21</b>	<b>18.68%</b>
<b>Non-Financial liabilities</b>			
Current tax liabilities (net)	4.83	11.06	-56.31%
Provisions	43.95	37.14	18.35%
Other non-financial liabilities	18.19	14.03	29.60%
<b>Sub-total- Non-Financial Liabilities</b>	<b>66.97</b>	<b>62.23</b>	<b>7.61%</b>
<b>Total Liabilities</b>	<b>34,212.79</b>	<b>28,833.44</b>	<b>18.66%</b>
<b>EQUITY</b>			
Equity share capital	693.57	627.06	10.60%
Other equity	4,610.50	3,441.59	33.96%
<b>Total EQUITY</b>	<b>5,304.07</b>	<b>4,068.65</b>	<b>30.36%</b>
<b>Total Liabilities and Equity</b>	<b>39,516.87</b>	<b>32,902.09</b>	<b>20.10%</b>

Total Liabilities comprises of Financial and non-Financial liabilities. In current year, total liabilities increased by 18.66% to ₹ 34,212.79 Crore from ₹ 28,833.44 Crore. Financial Liabilities comprises of 99.80% of total liabilities, there is an increase of 18.68% increase of financial liabilities in current year from ₹ 28,771.21 Crore in Fiscal year 2024 to ₹ 34,145.82 Crore.

### Key Ratios

Particulars	FY 2024-25	FY 2023-24
ROA	1.86%	2.22%
ROE	13.92%	16.50%
GNPA	0.87%	0.46%
NNPA	0.44%	0.24%

## SWOT Analysis

Strength	Weaknesses	Opportunities	Threats
<b>Strong Parentage</b> Access to extensive industry expertise and strong brand recall through Axis Bank and the One Axis ecosystem.	<b>Retail Product</b> offering is currently limited to 4-5 products compared to the competition landscape.	<b>New Geographies</b> RUSU (Rural and semi-urban) Axis Finance has consistently succeeded in entering new business segments and delivering success while harnessing digital capabilities. It has opportunities to build in existing segments and enter new geographies in the RUSU markets.	<b>High Competition</b> Heightened competition intensity across the business segments, hardening yields with their impact on the cost of funds may dilute AFL positioning.
<b>Diversified Portfolio</b> The retail portfolio has exhibited strong growth and now constitutes 46% of the portfolio, with wholesale at 46% and MSME at 8%.	<b>Dependency on channel partners</b> for business originations, compared to the strong internal customer base of the competition.	<b>Digital Ecosystem</b> Axis Finance, with its formidable digital capabilities, can leverage the lending opportunities provided by ONDC (Open Network Digital Commerce), Digital lending in education, travel, healthcare, etc.	

## RISK MANAGEMENT

Inherent to the business profile, AFL is exposed to a gamut of risks in its ongoing activities. Within the organisation, AFL has defined and incorporated a comprehensive risk management framework to lay out controls to prudently manage different risks to ensure resilience and sustainable growth.

From a governance perspective, the Board of Directors is the apex governance body on all risk management matters and oversees the establishment, monitoring and integration of the risk management framework within the organisation. The Board exercises its oversight through the Risk Management Committee of the Board. The Risk Management Committee oversees the implementation of the desired risk management framework in AFL. This framework incorporates a Risk Appetite Statement approved by the Risk Management Committee that covers both Financial and Non-financial risk guardrails. The Risk Appetite Statement captures different parameters related to capital adequacy, portfolio concentration, liquidity, interest rate risk profile, as well as different operational aspects, required to be monitored at specified frequencies at the Board and Executive level. AFL has also established exposure concentration limits in various KPIs like product type, geography, unsecured, capital market, commercial real estate, etc., that are reviewed periodically as a part of Product-level Risk Guardrails.

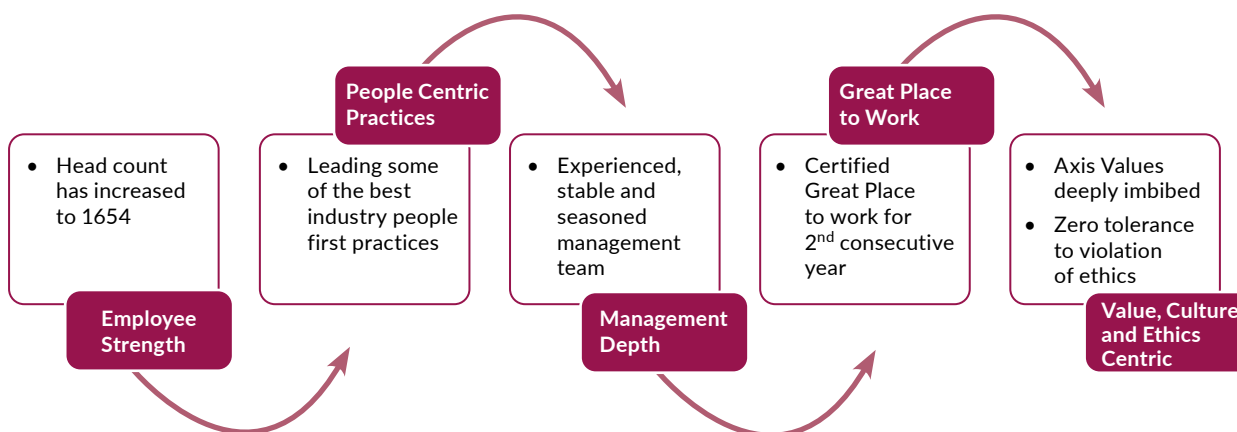
AFL adopts the three lines of defence model for risk management. The first line of defence is formed by Business units who are the "owners" of risk and are directly engaged with customers as representatives of AFL. The Risk and the Compliance functions, forming the second line of defence, are independently responsible for ensuring day-to-day implementation and monitoring of various aspects related to the risk and compliance framework in AFL. The internal audit function forms the third line of defence and is tasked with assuring the Board regarding the effectiveness of risk policies and processes across AFL.

Risks	Mitigation Measures
Credit Risk	<ul style="list-style-type: none"> <li>• Policies and operating guidelines in place for all loan products</li> <li>• In-depth due diligence of loan proposals and implementation of effective gating criteria to enhance credit risk assessment accuracy and eliminate high-risk applications at the initial screening stage</li> <li>• Committee-based credit decision-making for Wholesale business and a clearly defined delegation matrix for MSME &amp; Retail business</li> <li>• Internal rating of wholesale &amp; MSME proposals through rating tool and bureau scorecards for retail business</li> <li>• Early Warning Systems (EWS) for proactive Wholesale, MSME and Retail Portfolio Monitoring</li> <li>• Forward-looking ECL estimates</li> <li>• Portfolio Stress Testing</li> </ul>

Risks	Mitigation Measures
Liquidity Risk	<ul style="list-style-type: none"> <li>Well-diversified funding mix of market and bank borrowings</li> <li>As a policy, the Company maintains unutilised bank lines as a liquidity backstop and maintains Liquidity Coverage Ratio (LCR) well above the regulatory norm</li> <li>Prudent ALM management: Liquidity gaps monitored by the ALCO and RMC</li> <li>Monitoring of various RBI-prescribed liquidity ratios that act as EWS for liquidity risk</li> <li>ALM system for liquidity risk management</li> <li>Liquidity stress testing and contingency funding plan testing</li> </ul>
Market Risk	<ul style="list-style-type: none"> <li>Interest rate risk managed by way of Earnings at Risk (EAR) Limits across time buckets</li> <li>Market risk in the trading book is managed by way of stop-loss</li> <li>Rate Scan process applied to all Treasury-related transactions</li> </ul>
Operational Risk	<ul style="list-style-type: none"> <li>Operational Risk Assessment to strengthen internal controls through RCSA exercises</li> <li>Business Continuity Plan in place to ensure business continuity related to location, people, process and systems</li> <li>Third-party risk management, including management of outsourcing risk through monitoring and internal controls.</li> </ul>
Fraud Risk	<ul style="list-style-type: none"> <li>Appropriate checks embedded in the loan underwriting processes to prevent fraud</li> <li>Policies and operating guidelines in place for the management of fraud incidents</li> <li>Review, monitoring and analysis of frauds to ensure key learnings are disseminated to prevent recurrence</li> </ul>
Cyber & Infosec Risk	<ul style="list-style-type: none"> <li>Information and Cyber Security (IS &amp; CS) Risk identification</li> <li>IS &amp; CS controls implementation and monitoring based on risk perception</li> <li>DLP and Endpoint security controls</li> <li>Management of application/infra/network security</li> <li>Continuous vulnerability assessment of infrastructure and applications</li> <li>Cybersecurity and Infosec awareness programs</li> <li>Resilience testing and awareness</li> <li>Third-party IS risk management</li> </ul>

## HUMAN RESOURCES

### Human Capital



Axis Finance is committed to fostering a great workplace for all employees and positively impacting the community. Over its 12-year journey of continuous growth and excellence, the employees have been at the heart of every success.

The employees are its greatest assets, and AFL deeply value their contributions to its business success. To aid our employees in achieving organisational objectives and finding fulfilment in their roles, the Company offers a safe and healthy workplace, competitive rewards, development opportunities, and empathetic leadership.

As a testament to the Company’s work culture, 81% of our employees with tenure of more than three years have undergone at least one promotion. 55% of the senior management has been with Axis Finance for more than three years.

1,654 Employees	1,137 Retail section employees	196 Wholesale and MSME section employees	321 Support function employees
24.2% Attrition down by 52% over 3 years	652 New employees hired in the year	19.1% CAGR of headcount in last 3 years	35 Years Average Age

**Fostering a High-performance Culture**

AFL cultivates a transparent and high-performance culture through a formal mid-term and annual performance review process. Monthly dashboards enable employees to track their progress and enhance their performance.

The Company is committed to fostering internal talent and providing opportunities for growth before exploring external candidates. Employees can move across departments through the Internal Job Posting (IJP) process and demonstrate their potential to take on additional responsibilities. This year, AFL facilitated 71 internal transfers within the organisation.

For roles where internal talent is unavailable, AFL recruits high-quality talent from the industry.

**Inducting Talent and Imbibing Values Culture**

Every new joiner at AFL undergoes a structured induction program introducing them to a culture of respect and trust and the organisational values of Ownership, Teamwork, Transparency, Ethics and Customer Centricity (OTTEC). Values form a critical part of the induction for every new joiner. AFL reinforces these values by rewarding employees who demonstrate exceptional behaviour through its Rewards and Recognition (R&R) programme.

The Company’s zero-tolerance policy for violations of Ethics and the Code of Conduct ensures that the workplace remains fair and respectful. Additionally, a Buddy Program helps new joiners settle into the organisation and navigate their way across different departments.

**Health, Safety and Well-being**

AFL continues to uphold its enhanced health and well-being policies. It provides comprehensive health and life coverage for its employees. A dedicated helpline is available to assist employees during medical emergencies, significantly building trust within the organisation. Additionally, a benevolent fund has been established to support dependents in the event of an unfortunate demise, supplementing the life insurance cover.

This year, the Company reported zero safety incidents. Periodic fire safety drills were conducted to educate employees and ensure emergency preparedness. AFL has adopted a Business Continuity Management System (BCMS) to safeguard its operations and assets from any emergency or disaster.

AFL encourages a healthy work-life balance and provides a safe work environment. The Company discourages late working hours and promotes optimal use of work hours. Employees are also encouraged to follow a roster, allowing them to work from offices closer to their homes on certain days.

Open-door policy, team meetings, training interventions, townhall meetings, regular updates, employee education and awareness programs, and periodic leadership connects help maintain transparency across all levels. The Company has implemented mechanisms to handle grievances, with an effective escalation matrix. Employees can directly reach out to the MD through the provided mechanisms, committing to resolving issues within 24 hours.



### Competitive Compensation and Employee Benefits

The Company attracts and retains talent by offering competitive compensation packages and various employee benefits. It has developed a flexible compensation structure allowing employees to choose benefits based on their individual needs. AFL has aligned its compensation structure for KMP and Senior Management in accordance with RBI guidelines and regulations.

AFL benchmarks its compensation against industry standards periodically to ensure alignment with the market.

Additionally, AFL promotes the "Home for All" and "Vehicle for All" initiatives for its employees. Under the staff loan policy, employees can avail of home loans at subsidised rates. They can also avail of a two-wheeler loan or opt for a company-owned car based on their grade and eligibility.

## 451

Active Staff Loans  
(Home Loan)

## ₹ 152.66 Crore

Loan amount to staff  
(Home Loan)

### Succession Planning and Talent Pipeline

AFL conducts succession reviews with the board annually, ensuring a pipeline for key and critical roles to ensure business continuity. Successors and critical talent are given opportunities to take higher responsibilities and are also given opportunities to interact with senior management and the board of directors.

### Learning and Development

Learning and development of employees is of paramount importance to the Company. It conducts various regulatory, mandatory, functional, behavioural, and technical trainings, and provides industry know-how through various external interventions. AFL recognises and supports employee self-learning under the Professional Development and Upskilling Policy.

#### Key Achievements:

- 100% of employees trained during the FY on all Regulatory Modules (AML, KYC, ISA, POSH, Code of Conduct, and BCMS)
- Axis Competency Profiler (ACP) – 100% of the eligible population underwent this annual functional test
- Process Masters Workshop – A SOP training program with 100% completion across all functions
- ACE – Learning Program for Senior Managers
- Axcend – Learning Program for AVP & DVP
- High Performing Managers (HPM) Program for employees in supervisory roles
- Samaadhaan – Debt Management Learning Journey

## 51,394

Total learning hours

## 35.5

Average learning  
hours per employee

## 14 programs

## 895 hours

External Industry Trainings

## 2,338 hours

Professional  
Development &  
Upskilling Policy

## 100% appeared

Axis competency  
profiler test

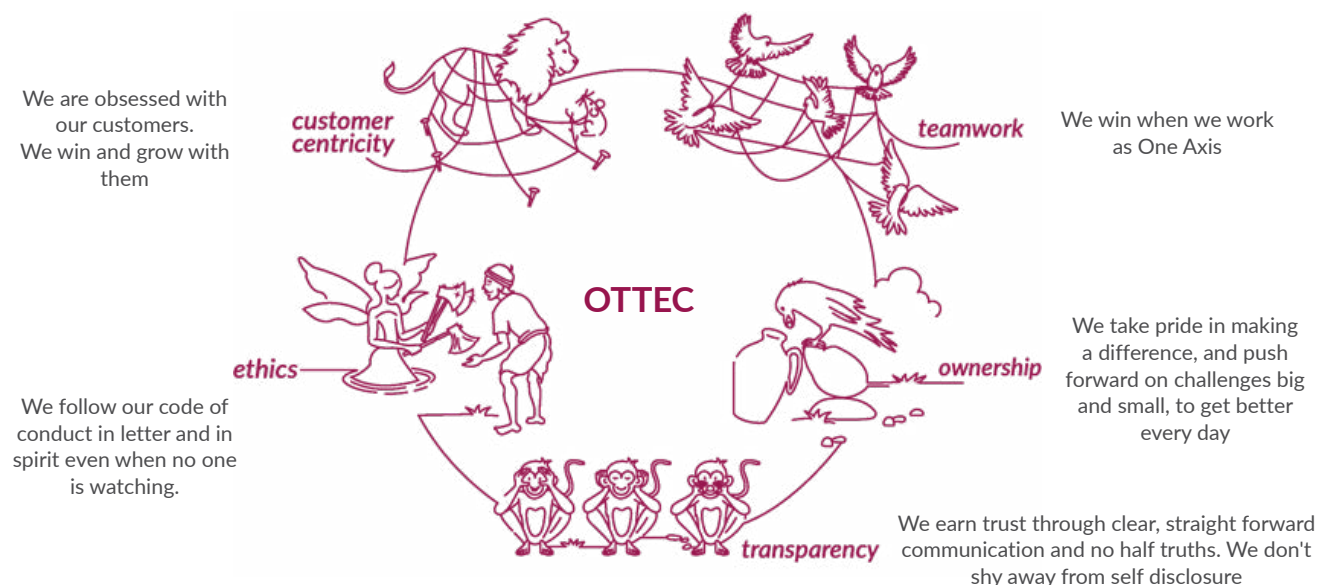
## Employee Engagement

AFL fosters employee engagement by celebrating important regional festivals across different regions, promoting cultural inclusivity and team spirit. The Company promotes health and wellness on Yoga Day, spreads New Year cheer through a lucky draw, aids team collaboration and re-energises employees through quarterly Movie Nights, and facilitates all women employees with a unique Women's Day celebration across the organisation.

## Imbibing Axis Values

This year, AFL has updated its organisational values to align better with its evolving goals and vision.

These new values will guide its actions and decisions, ensuring the continuous fostering of a positive and dynamic work environment. The Company disseminated the revamped values to all employees across all locations through the Blitz framework, with the excitement to embrace this newer value version for driving future successes.



## INDUSTRY RECOGNITION

AFL has been certified as a Great Place to Work for the second consecutive year, reflecting its ongoing commitment to fostering a positive and inclusive work environment where every employee feels valued and supported



## Highlight

Human Resources Vision-"To deliver best in class people experience and work culture while enabling value to customers, business and stakeholders"

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

Axis Finance Limited (AFL) has a robust internal control system, driven by various procedures and policies which are reviewed and tested periodically, across all processes, units and functions. The risk and credit teams have an eye on the market; have inbuilt processes to identify the existing and probable risks and to mitigate the identified risks. Senior management also monitors the mitigating measures. The Company has various committees, including the Risk Management Committee and the Asset and Liability Committee, with participation from various functions, designed to review and oversee critical aspects of the Company's operations.

AFL has a dedicated control function for testing the design and efficiency of Internal Controls over Financial Reporting and timely remediation of identified control deficiencies, if any. Further, the Company monitors Information and Technology General Controls (ITGC) periodically. The Company has implemented required controls through systems and processes, ensuring a robust control framework.

In line with the RBI's guidelines on Risk-based Internal Audit (RBIA), AFL has implemented a Risk-based Internal Audit policy, designed after factoring in regulatory guidelines and Axis Group's internal procedures. The policy has a well-defined architecture for conducting Risk-based Internal Audit across all functions.

The internal audit department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, ensuring compliance with operating procedures, accounting procedures and policies at all company locations.

The internal audit plan is developed based on the residual risk profile of the organisation's business activities. The audit plan is approved by the Audit Committee of the Board, which regularly reviews the status of the Audit plan and performance of the internal audit department and provides directions wherever required. Further, based on the internal audit reports, process owners undertake corrective action in their respective areas, strengthening the controls. Significant audit observations, emanating from internal audit and corrective actions thereon, are presented to the Audit Committee of the Board every quarter.

The Compliance department also performs compliance testing of the controls and operating procedures based on an approved Compliance testing plan during the financial year.

## **CAUTIONARY STATEMENTS**

Certain statements in this report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking 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.

# Annexure-6

## CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**Axis Finance Limited**  
Axis House, Ground Floor,  
Wadia International Centre, Worli,  
Mumbai – 400025

We have examined the compliance of conditions of Corporate Governance by Axis Finance Limited (hereinafter referred as “Company”) for the financial year ended March 31, 2025 as prescribed under Regulations 17 to 27 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”).

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KTS and Associates  
(Practicing Company Secretaries)

sd/-

**Tarlic Shah**  
Partner

ACS No.: 55160

CP No.: 20503

PR No.: 6539/2025

UDIN: A055160G000096729

Place: Pune  
Date: April 14, 2025

**AXIS FINANCE LIMITED**

CIN: U65921MH1995PLC212675

Reg. Office: Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025

Tel No.: 022 – 2425 2525; Fax No.: 022 – 4325 3000

E-mail ID: [corporate.secretarial@axisfinance.in](mailto:corporate.secretarial@axisfinance.in); Website: [www.axisfinance.in](http://www.axisfinance.in)**Notice of 30<sup>th</sup> Annual General Meeting**

**NOTICE** is hereby given that the 30<sup>th</sup> Annual General Meeting of the members of **Axis Finance Limited** will be held on **Tuesday, June 17, 2025 at 09:00 a.m.** at **Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025**, to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements for the year ended March 31, 2025 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Deepak Maheshwari (DIN: 08163253), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Khandelwal Jain & Co., Chartered Accountants, Mumbai, (Firm Registration Number 105049W), as one of the Joint Statutory Auditor of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, and in accordance with the guidelines and circulars issued by Reserve Bank of India, including any statutory enactment or modification thereof, and Company's Policy on Appointment of Statutory Auditors, and in accordance with the recommendation of the Audit Committee and Board of Directors of the Company, M/s Khandelwal Jain & Co., Chartered Accountants, Mumbai, (Firm Registration Number 105049W) be and are hereby appointed as one of the Joint Statutory Auditor of the Company, to hold office from the conclusion of this 30<sup>th</sup> Annual General Meeting till the conclusion of the 33<sup>rd</sup> (Thirty-Third) Annual General Meeting, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors, on the basis of the recommendation of the Audit Committee of the Board of Directors of the Company in addition to the applicable goods and services tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit;

**RESOLVED FURTHER THAT** Managing Director & Chief Executive Officer and / or Company Secretary and / or Chief Financial Officer be and are hereby severally authorised for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters, and things which may deem necessary in this behalf."

4. To appoint BNP & Associates, Company Secretaries, (Firm Registration Number P2014MH037400), as the Secretarial Auditor of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 204(1) of the Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules 2014 and other applicable provisions if any of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory enactment or modification thereof, and Company's Policy on Appointment of Secretarial Auditor, and recommendation of the Audit Committee and Board of Directors of the Company, BNP & Associates, Company Secretaries, (Firm Registration No. P2014MH037400) be and are hereby appointed as the Secretarial Auditor of the Company for a period of 5 years commencing from the conclusion this 30<sup>th</sup> Annual General Meeting up to 35<sup>th</sup> Annual General Meeting to be held in calendar year 2030, at a remuneration to be decided by the Board of Directors and Audit Committee of the Company

in consultation with the Secretarial Auditor plus applicable goods and services tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit;

**RESOLVED FURTHER THAT** the Managing Director & Chief Executive Officer and / or Company Secretary and / or Chief Financial Officer be and are hereby severally authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters, and things which may deem necessary in this behalf.”

## **SPECIAL BUSINESS:**

### **5. Issue of Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard, and pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 read with the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities), Regulations, 2021, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 including the other circulars and clarifications issued by the Reserve Bank of India (RBI) as applicable to the Non-Banking Financial Companies (NBFC's) and the relevant provisions of the Memorandum of Association and the Articles of Association of the Company and such other provisions of law as may be applicable (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded to the Board or the Committee of the Directors or Debentures Allotment Committee (which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) to raise funds time to time by way of making offer or invitation for subscription of secured/unsecured non-convertible debentures, subordinated debentures, bonds, perpetual debentures or any other debt securities (excluding Commercial paper) herein after to be referred as 'Debentures') up to ₹ 36,000 Crore (Rupees Thirty-Six Thousand Crore only) in one or more series / tranches to such investors who is eligible to subscribe the Debentures as prescribed under the Act or other applicable laws, rules and regulations and on such other terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company;

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

### **6. To consider and approve the selling, assignment, securitization under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore during a financial year**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** approval of the members be and is hereby accorded under the terms of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules made thereunder (including any amendment, modification, variation or re-enactment thereof) ('the Act'), Master Directions including circulars, notifications issued by the Reserve Bank of India, the applicable provisions of the Memorandum of Association and the Articles of Association of the Company and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications read with the Transfer of Loan Exposures Policy adopted by the Company, to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall deemed to include any Committee(s) of the Directors / of Executives constituted / to be constituted by the Board and to exercise its powers including the powers conferred by this resolution) to sell / assign / securitise present and /or future receivables / book debts of the Company to such entities as may be identified from time to time in such form and manner in such form and manner and upon such terms and conditions as may be deemed fit, such that the aggregate amount of such sale / assignment / securitisation transactions shall not exceed ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore only) during a financial year;



**RESOLVED FURTHER THAT** the Board is hereby authorized to delegate the powers given in the aforesaid resolution to the Committee of Executives or Committee of Directors or any other Committee constituted by them to approve the sell / assign / securitize substantial assets including present and /or future receivables / book debts of the Company in favour of banks / financial institutions, other investing agencies, Asset Reconstruction Companies and trustees within the said limits AND THAT to authoridse various officials of the Company for executing, signing and delivering all the deeds, agreements, power of attorney, applications and any other documents as may be required in this regard with a further power to delegate any one or more of the powers conferred upon by this resolution, to any officer(s) or executive(s) of the Company as they may deem fit and proper."

**7. To consider and approve revised remuneration payable to Sai Giridhar, Managing Director & CEO of the Company for the FY 2025-26**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to increase the remuneration of Sai Giridhar (DIN: 10757486), Managing Director & CEO of the Company for the FY 2025-26, details as mentioned herein below:

Sr. No.	Particulars	Amount in ₹ (per annum)
1.	Basic Salary	84,00,000
2.	House Rent Allowance	42,00,000
3.	Basket of Allowances	1,36,92,280
4.	Provident Fund	10,08,000
5.	Gratuity	6,99,720
	<b>Total</b>	<b>2,80,00,000</b>

**RESOLVED FURTHER THAT** as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, annual variable pay of an amount of ₹ 90,00,000/- paid to Managing Director & CEO for the FY 2024-25 be and is hereby approved;

**RESOLVED FURTHER THAT** save and except the revision in remuneration as aforesaid all other terms of his employment shall remain unchanged;

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee and/or the Board of Directors be and are hereby authorized to vary, alter, or revise the terms of appointment and remuneration of Sai Giridhar including payment of variable pay, from time to time, as may be deemed appropriate;

**RESOLVED FURTHER THAT** where in any financial year during the tenure of the said Managing Director & CEO, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration;

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary and / or Chief Financial Officer of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory / regulatory authorities with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit in this regard."

**8. Amendment in the Memorandum of Association of the Company**

To consider and if thought fit to pass the following resolution, with or without modification, as **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 13 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with applicable rules made thereunder and pursuant to the applicable Regulations issued by Securities and Exchange Board of India including any amendments, modifications or re-enactment(s) thereof for the time being in force and subject to such approvals, permissions and sanctions of statutory authorities as may be required, consent of the members be and is hereby accorded to alter paragraph 3 of the Main Objects of the Memorandum of Association of the Company as follows:

*'To advance deposit or lend money, securities and properties to or with any company, firm, person or association whether falling under the same management or otherwise with or without security and on such terms as may be determined from time to time. However, the Company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.'*

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall deem to include any of its duly constituted Committee) or any of the officer / executive / representative and / or any other person so authorized by the Board, be authorized on behalf of the Company to sign, execute and deliver all applications, forms, agreements and other documents including filing of e-form(s) and / or any other documents with the relevant authorities, to do all such acts, deeds and things as may be required, to settle any questions, difficulties or doubts that may arise in this regard, and to accede to such modifications to the above-mentioned resolution as suggested by the relevant authorities."

#### **9. Appointment of Vishal Sharan (DIN: 11056592) as an Executive Director of the Company**

To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution:

"**RESOLVED THAT** in pursuance of the provisions of section 152, 160, 161 read with Rule 8, 9, and 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association of the Company and basis the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby granted for appointment of Vishal Sharan (DIN: 11056592) as an Executive Director of the Company with effective from May 15, 2025 or from the date of receipt of approval from Reserve Bank of India, whichever is later, liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary and to file requisite forms or applications with statutory / regulatory authorities, with power to alter and vary the terms and conditions of the said appointment and settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any committee(s) / director(s) / officer(s) of the Company, to give effect to this resolution."

#### **10. Appointment of Vishal Sharan (DIN: 11056592) as a Whole-Time Director of the Company**

To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution:

"**RESOLVED THAT** pursuant to section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules, schedules made thereunder (the "Act") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time read with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, and the guidelines and circulars issued by the Reserve Bank of India ('RBI'), in this regard, from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee ('Committee') and the Board of Directors ('Board') of the Company, approval of the members of the Company be and is hereby accorded for appointment of Vishal Sharan (DIN: 11056592), as the Whole-Time Director (designated as Key Managerial Personnel) of the Company, for a period of three (3) years, with effect from May 15, 2025 or from the date of receipt of approval of Reserve Bank of India, on the terms and conditions as may be agreed between the parties from time to time in this respect, including the following remuneration **AND THAT** Vishal Sharan (DIN: 11056592) shall be liable to retire by rotation during the said period, in terms of the provisions of section 152 of the Act and Articles of Association of the Company:

Sr. No.	Particulars	Amount in ₹ (per annum)	Additional details, if applicable
1.	Basic Salary	58,39,170	-
2.	House Rent Allowance	29,19,585	-
3.	Basket of Allowances	95,18,042	-
4.	Provident fund	7,00,700	-
5.	Gratuity	4,86,403	One month's basis salary for each completed year of service or part thereof (on pro-rata basis)
6.	<b>Perquisites</b>		
a.	Company Owned Car	-	As per Company's Car Policy
b.	Insurance Premium	-	As per Company policy
c.	Loan Benefit	-	As per Company policy
7.	Leave Encashment	-	As per Company policy
8.	Conveyance and Telephone	-	As per Company policy
9.	Club memberships	-	As per Company policy
10.	Other Term	-	As per the company's staff policy/ rules and as may be agreed by the Board, from time to time
11.	Variable Pay*	-	As approved by the Nomination and Remuneration Committee / Board. The reference performance period in a given year shall be from April 01 to March 31 every year
12.	ESOPs	-	As per holding company's policy subject to approval by Nomination and Remuneration Committee
<b>Total</b>		<b>1,94,63,900</b>	-

\*Payment of Variable Pay is subject to achievement of performance parameters as per the Remuneration Policy of the Company and RBI Guidelines on compensation to KMP and Senior Management of NBFCs.

**RESOLVED FURTHER THAT** the Committee and / or the Board be and are hereby authorised to revise the remuneration payable to Vishal Sharan (DIN: 11056592) during his tenure;

**RESOLVED FURTHER THAT** in case of absence or inadequacy of profits in any fiscal year, remuneration as approved by the Committee / the Board shall be the minimum remuneration payable to Vishal Sharan (DIN: 11056592);

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary and to file requisite forms or applications with statutory / regulatory authorities, with power to alter and vary the terms and conditions of the said appointment and settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any committee(s) / director(s) / officer(s) of the Company, to give effect to this resolution."

By Order of the Board of Directors  
For **Axis Finance Limited**

Sd/-

**Rajneesh Kumar**

Company Secretary

Membership No.: A31230

Date: May 26, 2025

Place: Mumbai

## NOTES:

1. The relevant Explanatory Statements pursuant to section 102 of the Companies Act, 2013 ('the Act') in respect of the Special Business as stated above is annexed hereto.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the Annual General Meeting ('AGM') is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. The instrument appointing a proxy enclosed as **Annexure A**, should however be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution / Corporate Authorisation authorising their representative to attend and vote on their behalf at the Meeting.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 01.00 p.m.
5. Members / proxies should bring the attendance slip enclosed as **Annexure B** duly filled in for attending the Meeting.
6. Members who hold shares in the dematerialised form are requested to write their DP Id and Client Id and those holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The profile and other relevant details pursuant to Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India in respect of Director seeking re-appointment at this AGM is provided as Annexure I to this Notice.
9. The Notice and the Annual Report of the AGM shall be displayed on the website [www.axisfinance.in](http://www.axisfinance.in) of the Company.
10. A route map showing directions to reach the venue of the Annual General Meeting annexed herewith as **Annexure C**.

## EXPLANATORY STATEMENTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3:

Pursuant to the guidelines issued by the Reserve Bank of India ('RBI') vide its reference no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the Company with an asset size of ₹ 15,000 Crore and above as at the end of previous year, the statutory audit would require to be conducted under joint audit of a minimum of two (02) audit firms [Partnership firms/ Limited Liability Partnerships (LLPs)].

The Company had appointed B.K. Khare & Co., and G.M. Kapadia & Co. as the joint statutory auditors of the Company for a period of three (3) years from the conclusion of 27<sup>th</sup> and 29<sup>th</sup> Annual General Meeting respectively till the conclusion of the 30<sup>th</sup> Annual General Meeting to be held in calendar year 2025 and 32<sup>nd</sup> Annual General Meeting of the Company to be held in calendar year 2027 and respectively.

B.K. Khare & Co.'s tenure as Joint Statutory Auditor, was due for retirement in this Annual General Meeting and therefore, the Company needs to appoint a new statutory auditor who shall act as a joint statutory auditor of the Company along with G.M. Kapadia & Co.

Accordingly, as per the Board approved Policy on appointment of Statutory Auditors, the Company had evaluated various Chartered Accountant firms such as V C Shah & Co., Chokshi & Chokshi LLP and Khandelwal Jain & Co.

The evaluation was carried out considering various parameters including but not limited to calibre and presence in the industry, domain expertise and professional strength and such other factors as the Company may deem fit for its requirements.

Accordingly, pursuant to the RBI circular, the Company's evaluation parameters and basis the recommendation of Audit Committee and Board of Directors, the Company proposes the appointment of M/s Khandelwal Jain & Co., Chartered Accountants, as one of the joint statutory Auditors of the Company, for a period of three (3) years from the conclusion of this 30<sup>th</sup> Annual General Meeting till the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in calendar year 2028 who shall act as the Joint Statutory Auditor along with M/s G.M. Kapadia & Co. and to authorize the Board of Directors of the Company to decide the remuneration to be paid to them, as set out at Item No. 3 of the Notice, for the approval of the members of the Company.

The brief profile of M/s Khandelwal Jain & Co., Chartered Accountants is as follows:

M/s. Khandelwal Jain & Co., Chartered Accountants, is a well reputed firm of Chartered Accountants, established in 1967 by Mr. I.C. Jain. The Firm has its Head office at Mumbai and branches in New Delhi and Aurangabad. The firm is empanelled with regulators such as RBI, C&AG, SEBI, IRDAI, TRAI, PFRDA and the like. The Firm has 15 partners and more than 130 professionals and semi-professionals. The areas of practice include assurance services, direct tax, international tax, transfer pricing, indirect tax and management and business advisory. The firm has been engaged in audits /inspections for public sector banks, NBFCs, mutual funds, regulator, etc.

The Board, accordingly, recommends the passing of the ordinary resolution as set out at item No. 3 of this Notice, for the approval of the Members.

None of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 3.

#### **Item No. 4:**

Pursuant to Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to appoint Secretarial Auditor to undertake secretarial audit of the Company.

The Board of Directors of the Company in its meeting held on July 9, 2024 had appointed Virendra Bhatt, Practicing Company Secretary as the Secretarial Auditor of the Company for FY 2024-25. Mr. Bhatt has been associated with Axis Finance Limited for the past 3 years for conducting the secretarial audit. The Company was now required to appoint a new secretarial auditor of the Company from FY 2025, due to end of tenure of Mr. Bhat as the Secretarial Auditor.

In terms of the Board approved Policy on appointment of Secretarial Auditors, and basis the recommendation of Audit Committee and Board of Directors, the Company proposes to appoint BNP & Associates, Company Secretaries, (Firm Registration Number P2014MH037400), as the Secretarial Auditors of the Company for a period of 5 years commencing from the conclusion of this 30<sup>th</sup> Annual General Meeting up to 35<sup>th</sup> Annual General Meeting to be held in calendar year 2030 and to authorize the Board of Directors and Audit Committee of the Company to decide the remuneration to be paid to them, as set out at Item No. 4 of the Notice, for the approval of the members of the Company.

The brief profile of BNP & Associates, Company Secretaries is as follows:

M/s BNP & Associates [BNP] is a firm of Practicing Company Secretaries registered with The Institute of Company Secretaries of India, New Delhi. The Firm has senior partners with experience of over 40 years. The firm is engaged in rendering Compliance Audit & Attestation, Advisory, Representative and Transactional Services. The firm renders services to various sectors such as banks, insurance companies, insurance services providers, NBFCs, financial services providers, etc.

The Board, accordingly, recommends the passing of the ordinary resolution as set out at item No. 4 of this Notice, for the approval of the Members.

None of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 4.

#### **Item No. 5:**

The Company has been raising funds by offer and/or invite for issuing redeemable Non- Convertible Debentures, secured or unsecured, fixed rate or market/bench mark linked and/or any other hybrid instruments (not in the nature of equity shares) including but not limited to Subordinated Bonds, Perpetual Debt Instruments which may or may not be classified as being additional Tier I or Tier II capital (hereinafter referred to as "Debt Securities") on private placement basis, from time to time.

In terms of Section 71 which deals with the issue of debentures read with Section 42 of the Companies Act, 2013, which deals with the offer or invitation for subscription of Debt Securities of the Company on private placement basis read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of its Debt Securities only after receipt of prior approval of its shareholders by way of a special resolution. The Companies (Prospectus and Allotment of Securities) Rules, 2014 further provides that the said special resolution must be passed in respect of all offers/invitations for the Debt Securities to be issued during a year and such a special resolution is required to be passed every year.

Considering the above, the Board of Directors at its meeting held on April 17, 2025, has approved issuance of Debt securities in one or more tranches, for an aggregate amount not exceeding ₹ 36,000 Crore (Rupees Thirty-Six Thousand Crore only) on private placement basis and within the overall borrowing limit subject to the approval by the Members.

Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 5 of this Notice authorizing the Board or committees as specified in the resolution to issue NCDs and/or any other hybrid instruments (not in the nature of equity shares) which may or may not be classified as being Tier II capital under the provisions of the RBI Master Directions, for an aggregate amount not exceeding ₹ 36,000 Crore (Rupees Thirty-Six Thousand Crore only) on private placement basis during a period of one year from the date of this Annual General Meeting.

The Board, accordingly, recommends the passing of the special resolution as set out at Item No. 5 of this Notice, for the approval of the Members.

None of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 5.

#### **Item No. 6:**

The members of the Company are requested to note that Company may raise funds by way of sell / direct assignment / securitization of the present and /or future receivables / book debts of the Company to any Bank or Financial Institution or Asset Reconstruction Companies as per the terms approved by the Board of Directors. The sale / assignment / securitization of the present and / or future receivables / book debts of the Company may result into disposal of undertaking as defined in the explanation to section 180(1)(a) of the Companies Act, 2013. As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company shall not sell, assign or securitize the receivables / book debts of the Company without the consent of the members of the Company, accorded at the General Meeting by means of a 'special resolution'.

In view of the aforesaid, the Board of Directors at its meeting held on April 17, 2025, has subject to the approval of members, approved sell / assign / securitize present and / or future receivables / book debts of the Company. Accordingly, the approval of the Members is being sought by way of special resolution, authorizing the Board of Directors or committees as specified in the resolution to sell / assign / securitize substantial assets including present and / or future receivables / book debts of the Company, to any Bank or Financial Institution or Asset Reconstruction Companies as per the terms approved by the Board of Directors for an aggregate amount not exceeding ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore only) during the financial year.

The Board, accordingly, recommends the passing of the special resolution as set out at Item No. 6 of this Notice, for the approval of the Members.

None of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 6.

#### **Item No. 7:**

The members be informed that as a part of annual performance appraisal and basis the recommendation of Nomination and Remuneration Committee and subject to the approval of members, the Board had approved increase in the remuneration of Sai Giridhar, Managing Director & CEO for the FY 2025-26 to ₹ 2,80,00,000/- p.a. and payment of variable pay of an amount of ₹ 90,00,000/- for the FY 2024-25.



The Board, accordingly, recommends the passing of the ordinary resolution as set out at item No. 7 of this Notice, for the approval of the Members.

Except Sai Giridhar, MD & CEO and his relatives none of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 7.

Profile and other details as required under Secretarial Standards – 2 – Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India are enclosed as **Annexure II** to this Notice for the perusal of the members.

#### **Item No. 8:**

The members are informed about the following clauses in the Memorandum of Association of the Company:

- a. Paragraph 3 of the Main Objects inter alia states as follows ‘..... **However the Company shall not carry on the business as defined under the Banking Regulation Act, 1949**’.
- b. Paragraph 29 of Part C of the Other Objects inter alia states ‘.....**provided that the Company shall not carry on the business of Banking as defined under the Banking Regulation Act, 1949.**’

Due to the inconsistency in the language of the Memorandum of Association of the Company with respect to the business to be carried out by the Company, the Board of Directors of the Company in its meeting held on April 17, 2025 approved, subject to the approval of the members, amendment in the Paragraph 3 of the Main Objects and the revised paragraph shall be read as follows:

*‘To advance deposit or lend money, securities and properties to or with any company, firm, person or association whether falling under the same management or otherwise with or without security and on such terms as may be determined from time to time. However, the Company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.’*

The copies of the existing and proposed amended Memorandum of Association of the Company are available for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the meeting and will also be made available at the meeting.

In view of the above, approval of the shareholders is being sought and the Board recommends the special resolution set out at Item No. 8 of the Notice for approval of the members.

None of the Directors / Key Managerial Personnel of the Company and their relatives is / are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 8 of the Notice.

#### **Item Nos. 9 and 10:**

The Members are hereby informed that post the exit of Biju Pillai, Whole-Time Director, the position of Whole time Director was vacant. Thus, to fill up the vacancy, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, has approved appointment of Vishal Sharan as an Additional Executive Director who shall act as a Whole Time Director of the Company for a period of 3 (three) years, with effect from May 15, 2025 or from the date of receipt of approval from Reserve Bank of India, whichever is later.

Further, pursuant to section 203 of the Companies Act, 2013, he shall also act as a Key Managerial Personnel of the Company.

Pursuant to the clause 42.1.1.(iii) of Chapter VI – Governance Guidelines of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, and the guidelines and circulars issued by the Reserve Bank of India, an application has been submitted to Reserve Bank of India for its approval for the appointment of Vishal Sharan (DIN: 11056592) as an Executive Director of the Company who shall also act as the Whole Time Director of the Company.

Whilst considering the proposal relating to his appointment, the Nomination and Remuneration Committee and the Board reviewed and confirmed that:

- a) He is a fit and proper person to be appointed as a Director of the Company, as per the fit and proper norms prescribed by RBI;
- b) He is not disqualified from being appointed as a Director of the Company, in terms of Section 164 of the Act and fulfils the conditions relating to the appointment as prescribed under the relevant provisions of the Act, the relevant rules notified thereunder, the SEBI Listing Regulations and the guidelines issued by the RBI, in this regard, from time to time. He has given his consent to act as a Director of the Company;
- c) He is not debarred from holding the office of director by virtue of any order by SEBI or any other authority; and
- d) He has the requisite skills, capabilities and expertise in functional areas viz. capital markets, banking, treasury, credit, risk management and others through qualification or diverse experience, which are beneficial to the Company.

Profile and other details as required under Secretarial Standards – 2 – Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India are enclosed as **Annexure III** to this Notice for the perusal of the members.

The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Vishal Sharan for appointment as an Executive Director of the Company.

Pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should ensure that the approval of the Members is obtained at the next general meeting or within a time period of three months from the date of appointment of Director, whichever is earlier.

Accordingly, the approval of the Shareholders is now sought for the appointment of Vishal Sharan as an Executive Director who shall act as a Whole Time Director of the Company for a period of 3 (three) years, with effect from May 15, 2025 or from the date of receipt of approval from Reserve Bank of India, whichever is later, liable to retire by rotation.

The Board recommends the ordinary resolutions set out at Item No. 9 and 10 of the Notice for approval of the members.

Except for (Appointee Director) and his relatives, none of the Directors / Key Managerial Personnel of the Company and their relatives is / are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 9 and 10 of the Notice.

## Annexure I

### Brief Profile of Deepak Maheshwar seeking re-appointment at the Annual General Meeting

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

<b>Name</b>	<b>Deepak Maheshwari</b>												
<b>DIN</b>	08163253												
<b>Age</b>	70 years												
<b>Qualification</b>	Deepak Maheshwari, is a B.Com (University Topper) from the University of Rajasthan and Certified Associate of the Institute of Banking and Finance.												
<b>Experience</b>	He was a Chief Credit Officer of Axis Bank Limited from January 2019 till April 2022. He was responsible for policy, sanctions and monitoring of the entire credit portfolio of the Bank. He joined Axis Bank Limited after spending two decades at HDFC Bank, where he had similar responsibilities for the wholesale credit portfolio. Prior to that, he spent another two decades in SBI in various management functions, his last major posting being Vice President (Credit), SBI Canada, Toronto.												
<b>Terms and conditions of re-appointment</b>	Non-Executive Director												
<b>Details of remuneration sought to be paid</b>	Sitting fees for attending Board and Committee meetings of the Company, reimbursement of expenses for attending Board and Committee meetings as applicable and payment of remuneration by way of commission.												
<b>Details of remuneration last drawn: (in lacs) during FY 2024-25</b>	He was paid Sitting fees of ₹ 39 Lakh during FY 2025. Entitled for Commission of ₹ 10 Lakhs for FY 2025.												
<b>Date of first appointment on the Board</b>	June 26, 2019												
<b>Shareholding in the Company</b>	Nil												
<b>Relationship with other Directors, Manager and other Key Managerial Personnel</b>	None												
<b>The number of Meetings of the Board attended during FY 2025</b>	6												
<b>Other Directorships (excluding Axis Finance Limited)</b>	a. Independent Director in CSB Bank Ltd. b. Director in GR Highways Investment Manager Private Limited												
<b>Membership / Chairmanship of Committees of other Board</b>	Membership / Chairmanship in CSB Bank Ltd is as follows: <table> <tr> <th>Committee name</th><th>Position</th></tr> <tr> <td>Risk Management Committee</td><td>Member</td></tr> <tr> <td>Management Committee</td><td>Chairperson</td></tr> <tr> <td>Customer Service Committee</td><td>Member</td></tr> <tr> <td>Audit Committee</td><td>Member</td></tr> <tr> <td>IT Strategy Committee</td><td>Member</td></tr> </table>	Committee name	Position	Risk Management Committee	Member	Management Committee	Chairperson	Customer Service Committee	Member	Audit Committee	Member	IT Strategy Committee	Member
Committee name	Position												
Risk Management Committee	Member												
Management Committee	Chairperson												
Customer Service Committee	Member												
Audit Committee	Member												
IT Strategy Committee	Member												
	Membership / Chairmanship in GR Highways Investment Manager Private Limited.: <table> <tr> <th>Committee name</th><th>Position</th></tr> <tr> <td>Audit Committee</td><td>Chairperson</td></tr> <tr> <td>Stakeholders Relationship Committee</td><td>Member</td></tr> <tr> <td>Nomination &amp; Remuneration Committee</td><td>Member</td></tr> <tr> <td>Risk Management Committee</td><td>Member</td></tr> </table>	Committee name	Position	Audit Committee	Chairperson	Stakeholders Relationship Committee	Member	Nomination & Remuneration Committee	Member	Risk Management Committee	Member		
Committee name	Position												
Audit Committee	Chairperson												
Stakeholders Relationship Committee	Member												
Nomination & Remuneration Committee	Member												
Risk Management Committee	Member												

## Annexure II

### Brief Profile of Sai Giridhar, Managing Director & CEO having variation in the terms of remuneration

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name	Sai Giridhar
DIN	10757486
Age	50 years
Qualification	a) Postgraduate Certificate in Business Management, General Management, Xavier Labour Relations Institute, Jamshedpur, India b) Intermediate Level, Institute of Cost & Works Accountants of India c) Bachelor of Arts, Economics, AM Jain College, University of Madras
Experience	Sai Giridhar has 28+ years of experience in retail assets – with 360-degree experience in Secured and Unsecured Lending across Product Development, Marketing, Sales & Distribution, Credit Underwriting & Policy, and Collections. He has significant experience in end-to-end P&L management and hands on experience in all aspects of consumer risk management.
Terms and conditions of appointment	Managing Director & Chief Executive Officer
Details of remuneration sought to be paid	As mentioned in the proposed resolution in Item No. 7
Details of remuneration last drawn (in lacs) for FY2025 as director of the Company	₹ 197.49 lacs* *The said amount includes one-time pay-out commitment paid of ₹ 135 lacs
Date of first appointment on the Board	January 01, 2025
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during FY 2025	3
Other Directorships (excluding Axis Finance Limited)	Nil
Membership / Chairmanship of Committees of other Board	N.A.

### Annexure III

#### Brief Profile of Vishal Sharan, Whole-Time Director seeking appointment at the Annual General Meeting

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

<b>Name</b>	<b>Vishal Sharan</b>
<b>DIN</b>	11056592
<b>Age</b>	47 years
<b>Qualification</b>	B.Com., L.L.B and Associate Company Secretary
<b>Experience</b>	<p>Mr. Sharan has 22+ years of experience in financial services industry across businesses involving lending, investments, corporate coverage, credit &amp; portfolio management and corporate investment banking across both debt as well as equity capital markets.</p> <p>He has been associated with the Axis Group since 2005 across functions which has provided extensive exposure into multiple businesses at different maturity levels.</p> <p>He is associated with Axis Finance Limited since 2013 as one of the key founding members leading the Wholesale Business from scratch. Under his leadership, the business grew multifold and has emerged as an industry leading wholesale lending franchise across parameters viz, growth, asset quality, return metrics, employee productivity and clients' trust. In his present role as the President and Business Head of Corporate Banking (Wholesale and MSME businesses), he holds end-to-end P &amp; L responsibility and is responsible right from business origination to stress asset resolution / recovery. He has also headed the Corporate Credit function at Axis Finance Limited earlier.</p>
<b>Terms and conditions of appointment</b>	As per the appointment letter
<b>Details of remuneration sought to be paid</b>	Please refer the resolution as mentioned in this Notice
<b>Details of remuneration last drawn (in lacs) for FY 2025 as Director of the Company</b>	Not applicable
<b>Date of first appointment on the Board</b>	May 15, 2025 or from the date of receipt of approval from Reserve Bank of India, whichever is later
<b>Shareholding in the Company</b>	Nil
<b>Relationship with other Directors, Manager and other Key Managerial Personnel</b>	None
<b>The number of Meetings of the Board attended during FY 2025</b>	Not Applicable
<b>Other Directorships (excluding Axis Finance Limited)</b>	None
<b>Membership / Chairmanship of Committees of other Board</b>	Not Applicable

**Annexure A****FORM No. MGT-11****PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65921MH1995PLC212675  
 Name of the Company : Axis Finance Limited  
 Registered Office : Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400025

<b>Name of the member (s):</b>	
Registered address:	
E-mail Id:	
Folio No. / Client Id:	DP ID:

I / We, being the member (s) of ..... shares of the above-named company, hereby appoint:

1.	Name		
	Address		
	E-mail Id		
	Signature	or failing him	
2.	Name		
	Address		
	E-mail Id	or failing him	
	Signature		

as my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on the Tuesday, 17<sup>th</sup> June 2025 at 09:00 a.m. at Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of the Resolution
<b>Ordinary Business:</b>	
1.	To receive, consider and adopt the audited financial statements for the year ended March 31, 2025 together with the Reports of Directors' and Auditors' thereon
2.	To appoint a director in place of Deepak Maheshwari (DIN: 08163253), who retires by rotation and being eligible, offers himself for re-appointment
3.	To appoint M/s Khandelwal Jain & Co., Chartered Accountants, Mumbai, (Firm Registration Number 105049W), as the Joint Statutory Auditor of the Company
4.	To appoint BNP & Associates, Company Secretaries, (Firm Registration Number P2014MH037400), as the Secretarial Auditor of the Company
<b>Special Business:</b>	
5.	To consider and approve the issuance of Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore
6.	To consider and approve the selling, assignment, securitization under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore during a financial year
7.	To consider and approve revised remuneration payable to Sai Giridhar, Managing Director & CEO of the Company for FY 2025–26
8.	To consider and approve amendment in the Memorandum of Association of the Company
9.	To consider and approve appointment of Vishal Sharan (DIN: 11056592) as an Executive Director of the Company
10.	To consider and approve appointment of Vishal Sharan (DIN: 11056592) as a Whole-Time Director of the Company

Signed this ..... day of ..... 2025

Signature of Shareholder: .....

Signature of Proxy holders(s): .....

Notes: The form should be signed across the Stamp.

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**



**Annexure B****Axis Finance Limited**

CIN: U65921MH1995PLC212675

Regd. Office: Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025

Tel No.: 022-2425 2525 Fax No.: 022 – 4325 3000

E-mail ID: [corporate.secretarial@axisfinance.in](mailto:corporate.secretarial@axisfinance.in); Website: [www.axisfinance.in](http://www.axisfinance.in)**ATTENDANCE SLIP**

Name of the Shareholder :

Registered Address of the Shareholder :

Ledger Folio No./CL ID/DP ID No. :

No. of Shares Held :

Name of the Proxy/Representative, if any :

Signature of the Member (s) or Proxy :

Signature of the Representative :

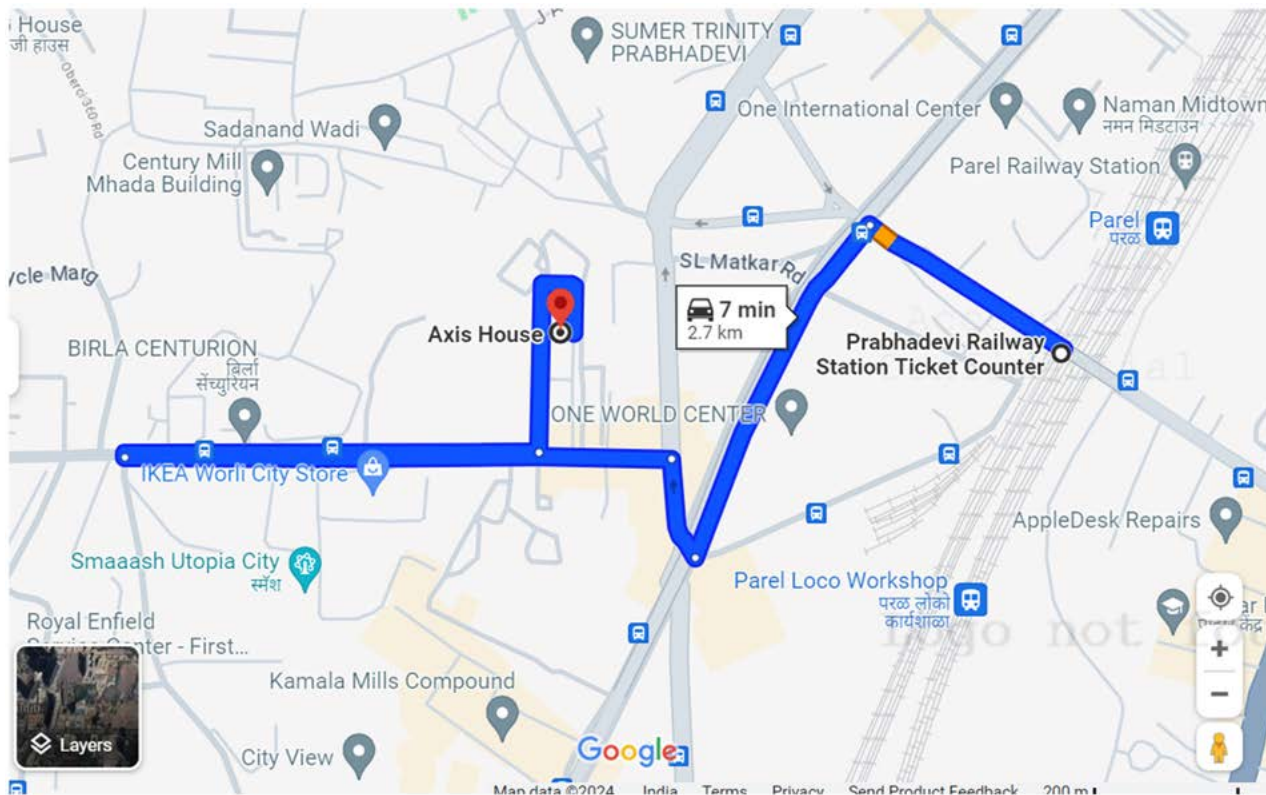
I / We certify that I / We am / are member(s) / proxy for the member(s) of the Company.

I / We hereby record my / our presence at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, June 17, 2025 at 09:00 a.m. at Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025.**Signature of the Shareholder / Proxy / Representative:****Signature of 1<sup>st</sup> Joint Holder:****Signature of 2<sup>nd</sup> Holder:****Note:**

1. Please complete and sign this attendance slip and handover at the entrance of the meeting hall.
2. Only member(s) or his/her/their proxy with this attendance slip will be allowed entry to the meeting.

## Annexure C

### Route map of Venue of Annual General Meeting of Axis Finance Limited to be held on June 17, 2025





# Financial Statements

- 118 Independent Auditors' Report
- 130 Balance Sheet
- 131 Statement of Profit and Loss
- 132 Statement of Cash Flows
- 134 Statement of Changes in Equity
- 135 Notes

# Independent Auditors' Report

To  
The Members of  
**Axis Finance Limited**

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

### Opinion

1. We have audited the accompanying financial statements of Axis Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies information and other explanatory information (together referred to as "Ind AS financial statements").
2. 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, ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the financial year ended March 31, 2025. 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.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
<b>1</b>	<b>Allowance for expected Credit Loss on Loans (refer note no. 6) ("ECL")</b>	<p><b>Our Audit Approach:</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>a) Evaluating the Company's accounting policies, as approved by the Board of Directors, for impairment of Financial Instruments.</li> <li>b) Obtained an understanding of the modelling techniques/models adopted by the Company including the key inputs and assumptions.</li> <li>c) Tested the design and effectiveness of controls related to: <ul style="list-style-type: none"> <li>• The completeness and accuracy of Exposure at Default (EAD) and the classification of such exposure into stages, as per the Board-approved policy.</li> <li>• The accuracy and relevance of information used in estimating Probability of Default (PD) and Loss Given Default (LGD).</li> </ul> </li> <li>d) Tested the ECL model, including assumptions, underlying computation and computation of ECL provision performed by the Company on sample basis to assess the arithmetical accuracy.</li> <li>e) Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed.</li> <li>f) We also made management enquiries with respect to the overlay quantum.</li> </ul>
<b>2</b>	<b>Information Technology (IT) System and Controls</b>	<p><b>Our Audit Approach:</b></p> <ul style="list-style-type: none"> <li>• With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment.</li> <li>• Our audit approach was a combination of test of internal controls and substantive procedures on the areas of the IT infrastructure, which majorly focused access security (including controls over privileged access), program change controls, database management and network operations.</li> </ul> <p><b>In particular, our activity included the following:</b></p> <ul style="list-style-type: none"> <li>• General IT controls design, observation and operation:</li> <li>• Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts.</li> <li>• Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</li> </ul>

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		<p><b>User access controls operation:</b></p> <ul style="list-style-type: none"> <li>Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.</li> <li>Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.</li> </ul> <p><b>Application controls:</b></p> <ul style="list-style-type: none"> <li>We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.</li> <li>For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.</li> <li>Our tests also included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Ind AS Financial Statements.</li> </ul>

### Information Other than the Ind AS Financial Statements and Auditors' Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Directors' Report including Annexures to Board's Report, Management Discussion and Analysis and Report on Corporate Governance but does not include the Ind AS Financial Statements and our auditors' 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 the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's responsibility for the Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' responsibilities for the audit of the Ind AS Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - 10.1 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.
  - 10.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
  - 10.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 10.4 Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - 10.5 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.
11. 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.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Other Matter

14. The Ind AS financial statements of the Company for the year ended March 31, 2024, included in these Ind AS financial statements, have been audited by one of the predecessor auditors Messrs Singhi & Co. Chartered Accountants and continuing joint statutory auditor, Messrs B. K. Khare & Co. Chartered Accountants who expressed an unmodified opinion on those statements on April 18, 2024.

### Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
  - 16.1 We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 16.2 In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 17.6 below on reporting under Rule 11(g).
  - 16.3 The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - 16.4 In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - 16.5 On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - 16.6 With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - 16.7 In our opinion, the managerial remuneration for the year ended March 31, 2025 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.
17. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
  - 17.1 The Company has disclosed the impact of pending litigations as at March 31, 2025 on its financial position in its Ind AS Financial Statements – refer note 34 to the Ind AS Financial Statements;
  - 17.2 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - 17.3 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- 17.4 (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (refer note no. 78).
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (refer note no. 78); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

17.5 The Board of Directors of the Company have not proposed any dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting.

17.6 Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording an audit trail (edit log), and the same has been operated throughout the year under audit for all relevant transactions recorded in the software except in the instance of Oracle, audit trail logs with respect to any modification in the masters related to banking details of vendor's were enabled from April 16, 2024. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

For the previous financial year (April 1, 2023 to March 31, 2024), the audit trail has been preserved by the Company in accordance with statutory record retention requirements except in respect of two softwares used for recording transactions, where the audit trail was not maintained and hence not retained, of which one software namely Credence Software for its Treasury operations was decommissioned post September 30, 2023. Further, in the instance of Oracle audit trail logs with respect to any modification in the masters related to banking details of vendor's were not enabled for the previous year. (refer note no 79)

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

Chartered Accountants

Firm Registration No. 105102W

**Shirish Rahalkar**

Partner

Membership No. 111212

UDIN: 25111212BMKYBF6659

Place: Mumbai

Date: April 17, 2025

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm Registration No. 104767W

**Rajen Ashar**

Partner

Membership No. 048243

UDIN: 25048243BMJJZX6710

Place: Mumbai

Date: April 17, 2025

# Annexure A

referred to in the paragraph 15 to the Independent Auditors' report of even date to the members of Axis Finance Limited as of and for the year ended March 31, 2025 under the heading "Report on other Legal and Regulatory requirements"

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets
- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and no material discrepancies were noticed during the verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company (refer note no. 10).
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. (refer note no. 84(c)).
- (ii) (a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, paragraph 3(iii)(a) of the order is not applicable to the Company.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns/statements filed by the Company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company (refer note no.74).
- (iii) (a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii)(a) of the order is not applicable to the Company.
- (b) The investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. According to information and explanations provided to us, the Company has not provided any guarantees during the year.
- (c) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note no. 3.3.6 to the Ind AS financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at March 31, 2025, aggregating 33,205.78 lakhs were categorised as credit impaired ('Stage 3') and 43,344.68 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in note no. 30A to the Ind AS financial statements. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.
- (d) In respect of loans granted and advances in the nature of loans, provided by the Company, the total amount overdue for more than ninety days as on March 31, 2025 is as under:

No. of cases	Principal amount overdue <sup>#</sup> (₹ in lakhs)	Interest overdue (₹ in lakhs)	Total overdue (₹ in lakhs)	Remarks (if any)
3,507	33,021.83	2,873.84	35,895.68	

<sup>#</sup>excludes the amount written off

Reasonable steps have been taken by the Company for recovery of the principal and interest wherever applicable.

- (e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii)(e) of the order is not applicable to the Company.

- (f) Basis the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, provided guarantees or securities in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2025 to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder apply. Accordingly, reporting under paragraph 3(v) of the order is not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, the reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of Statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other material statutory dues in arrears as at March 31, 2025, for a period of more than six months from the date they became payable except as stated in the table below.

- a) According to the information and explanations given to us and on the basis of our examination of the records, there are no statutory dues referred to in sub clause (a) that have not been deposited on account of any dispute except for disputed income tax dues as tabulated below:

Name of the statute	Nature of the dues	Gross Amount involved (₹)	Amount unpaid (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12,95,220	12,95,220	Assessment year 2016-17	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income Tax	7,59,872	7,59,872	Assessment year 2016-17	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	5,84,782	5,84,782	Assessment Year 2007-08, 2010 11, 2012-13	Rectification pending with CPC

- (viii) According to the information and explanations given to us, there are no transactions which have not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year except;

Nature of borrowing including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan	IDBI Bank	6,00,00,000	Principal & Interest	1	The management has represented that the delay was on account of a technical delay from the bank

(refer note no. 15)

- (b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied during the year for the purpose for which the loans were obtained, other than temporary deployment pending application of proceeds.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the paragraph 3 (ix)(e) of the Order are not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the paragraph 3(ix)(f) of the Order are not applicable to the Company.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed and according to the information and explanations given by the management, there were 8 instances of fraud on the Company by its customers amounting to ₹ 221.86 lakhs as disclosed in Note no. 52 to the Ind AS financial statements. We did not come across any other instances of fraud by the Company.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date of Auditors' Report for determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with them as referred to in Section 192 of the Act. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.

- (xvi) (a) The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) According to the information and explanations given to us, the Company holds a valid Certificate of Registration (CoR).
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on paragraph 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in Ind-AS Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-Section (6) of Section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of Section 135 of the Act. This matter has been disclosed in Note 29 to the Ind AS Financial Statements.
- (xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries/associates/joint ventures of the Company and hence the paragraph 3(xxi) of the Order is not applicable.

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

**Shirish Rahalkar**  
Partner  
Membership No. 111212  
UDIN: 25111212BMKYBF6659  
Place: Mumbai  
Date: April 17, 2025

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

**Rajen Ashar**  
Partner  
Membership No. 048243  
UDIN: 25048243BMJJZX6710  
Place: Mumbai  
Date: April 17, 2025

# Annexure B

[Referred to in paragraph 16.6 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")**

## **Opinion**

We have audited the internal financial controls with reference to financial statements of Axis Finance Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025 based on the criteria for internal financial control over financial reporting 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

## **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 issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 Ind AS financial statements, whether due to fraud or error.

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



### Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 the Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

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

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

Chartered Accountants

Firm Registration No. 105102W

**Shirish Rahalkar**

Partner

Membership No. 111212

UDIN: 25111212BMKYBF6659

Place: Mumbai

Date: April 17, 2025

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm Registration No. 104767W

**Rajen Ashar**

Partner

Membership No. 048243

UDIN: 25048243BMJJZX6710

Place: Mumbai

Date: April 17, 2025

# Balance Sheet

as at March 31, 2025

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

Particulars	Note	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	80,125.41	60,703.63
Receivables	5		
a) Trade Receivables		39.83	759.27
b) Other Receivables		-	-
Loans	6	36,75,276.37	30,35,677.49
Investments	7	1,53,413.06	1,54,816.28
Other financial assets	8	19,240.75	17,368.69
<b>Sub-total-Financial Assets</b>		<b>39,28,095.42</b>	<b>32,69,325.36</b>
<b>Non-Financial Assets</b>			
Current Tax Assets (net)	9	3,441.52	5,018.65
Deferred Tax Assets (net)	9	14,394.61	10,265.21
Property, plant and equipment	10	1,158.57	813.28
Intangible assets under development	11	89.48	102.45
Other Intangible Assets	11	1,724.11	1,391.92
Right-of-use assets		1,349.96	2,113.36
Other non-financial assets	12	1,432.97	1,178.75
<b>Sub-total-Non-Financial Assets</b>		<b>23,591.22</b>	<b>20,883.62</b>
<b>Total - Assets</b>		<b>39,51,686.64</b>	<b>32,90,208.98</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Payables	13		
i) Trade Payables			
a) total outstanding dues to micro and small enterprises		-	-
b) total outstanding dues of creditors other than micro and small enterprises		83.97	64.31
ii) Other Payables			
a) total outstanding dues to micro and small enterprises		324.39	274.38
b) total outstanding dues of creditors other than micro and small enterprises		4,680.92	4,491.89
Debt securities	14	12,66,822.84	12,09,649.26
Borrowings (Other than debt securities)	15	17,97,170.66	13,40,752.19
Subordinated Liabilities	16	3,23,540.80	2,43,907.32
Lease Liabilities		1,441.27	2,132.58
Other financial liabilities	17	20,517.14	75,848.97
<b>Sub-total-Financial Liabilities</b>		<b>34,14,581.99</b>	<b>28,77,120.90</b>
<b>Non-Financial liabilities</b>			
Current tax liabilities (net)	9	483.33	1,106.38
Provisions	18	4,395.24	3,713.90
Other non-financial liabilities	19	1,818.71	1,403.29
<b>Sub-total-Non-Financial Liabilities</b>		<b>6,697.28</b>	<b>6,223.57</b>
<b>Total-liabilities</b>		<b>34,21,279.27</b>	<b>28,83,344.47</b>
<b>EQUITY</b>			
Equity share capital	20	69,357.05	62,706.38
Other equity	21	4,61,050.32	3,44,158.13
<b>Total - Equity</b>		<b>5,30,407.37</b>	<b>4,06,864.51</b>
<b>Total - Liabilities and Equity</b>		<b>39,51,686.64</b>	<b>32,90,208.98</b>
Material accounting policy information and notes to the financial statements			

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 104767W

**Rajen Ashar**  
Partner  
Membership No. 048243  
Place of Signature: Mumbai  
Date: April 17, 2025

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

**Shirish Rahalkar**  
Partner  
Membership No. 111212  
Place of Signature: Mumbai  
Date: April 17, 2025

For and on behalf of the board of Axis Finance Limited

**Amitabh Chaudhry**  
Chairman  
DIN No. 00531120

**Amith Iyer**  
Chief Financial Officer  
CMA Membership No. 51849

**Sai Giridhar**  
Managing Director  
DIN No. 10757486

**Rajneesh Kumar**  
Company Secretary  
Membership No. A31230  
Place of Signature: Mumbai  
Date: April 17, 2025

# Statement of Profit and Loss

for the year ended March 31, 2025

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

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Revenue from operations</b>			
Interest Income	22	3,92,913.35	2,97,670.41
Fees and commission Income	23	10,117.44	4,211.40
Other Operating Income	23a	1,788.77	693.80
Net gain on fair value changes	24	2,606.78	3,851.22
Net gain/(loss) on derecognition of financial instruments under amortised cost category		1,952.75	8,855.40
<b>Total Revenue from operations</b>		<b>4,09,379.09</b>	<b>3,15,282.23</b>
Other Income	23b	684.42	131.12
<b>Total income</b>		<b>4,10,063.51</b>	<b>3,15,413.35</b>
<b>Expenses</b>			
Finance Costs	25	2,43,574.42	1,82,973.07
Impairment on financial instruments	26	32,315.27	15,402.05
Employee benefits expenses	27	27,422.47	24,518.13
Depreciation, amortization and impairment	28	2,029.10	2,039.40
Other expenses	29	17,002.71	11,025.76
<b>Total expenses</b>		<b>3,22,343.97</b>	<b>2,35,958.41</b>
<b>Profit before exceptional items and tax</b>		<b>87,719.54</b>	<b>79,454.94</b>
Exceptional Items		-	-
<b>Profit before taxes</b>		<b>87,719.54</b>	<b>79,454.94</b>
Tax expenses			
- Current Tax		26,077.74	21,994.68
- Deferred Tax		(3,605.54)	(2,259.81)
<b>Profit for the year</b>		<b>65,247.34</b>	<b>59,720.07</b>
<b>Other Comprehensive Income</b>			
<b>(A) Items that will not be reclassified to profit and loss</b>			
- Re-measurements of net defined benefit plans		(161.65)	(131.73)
- Income tax impact		(40.68)	(33.15)
<b>Sub-total (A)</b>		<b>(120.97)</b>	<b>(98.58)</b>
<b>(B) Items that will be reclassified to profit and loss</b>			
- Fair value changes on derivative designated as cash flow hedge		(1,919.76)	-
- Income tax impact		(483.16)	-
<b>Sub-total (B)</b>		<b>(1,436.60)</b>	<b>-</b>
<b>Other Comprehensive Income/(Loss) (A+B)</b>		<b>(1,557.57)</b>	<b>(98.58)</b>
<b>Total Comprehensive Income for the year</b>		<b>63,689.77</b>	<b>59,621.49</b>
<b>Paid-up Equity share capital (Face Value of ₹ 10 each)</b>		<b>69,357.05</b>	<b>62,706.38</b>
<b>Earning per equity share (not annualised)</b>			
Basic (₹)	35	10.03	9.93
Diluted (₹)	35	10.03	9.93
Material accounting policy information and notes to the financial statements			

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 104767W

**Rajen Ashar**  
Partner  
Membership No. 048243  
Place of Signature: Mumbai  
Date: April 17, 2025

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

**Shirish Rahalkar**  
Partner  
Membership No. 111212  
Place of Signature: Mumbai  
Date: April 17, 2025

For and on behalf of the board of Axis Finance Limited

**Amitabh Chaudhry**  
Chairman  
DIN No. 00531120

**Amith Iyer**  
Chief Financial Officer  
CMA Membership No. 51849

**Sai Giridhar**  
Managing Director  
DIN No. 10757486

**Rajneesh Kumar**  
Company Secretary  
Membership No. A31230  
Place of Signature: Mumbai  
Date: April 17, 2025

# Statement of Cash Flows

for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Cash flow from operating activities</b>		
Profit before tax	87,719.54	79,454.94
Adjustments for:		
Depreciation, amortization and impairment (other than right-of-use assets)	1,066.88	953.86
Depreciation on right-of-use assets	962.22	1,085.54
Net gain on fair value changes	(2,606.78)	(3,851.22)
Net gain/(loss) on derecognition of financial instruments under amortised cost category	2,024.44	8,954.67
Impairment on financial instruments	32,315.27	15,023.33
Profit/(Loss) on sale/retirement of Property, Plant and Equipment	(2.71)	(5.19)
Loss on write off of Property, Plant and Equipment	-	0.86
Interest on Lease deposit	(49.38)	(54.04)
Interest income from investments (at amortised cost)	(10,489.74)	(7,897.53)
Interest income from investments (FVTPL)	(2,430.60)	(1,887.54)
<b>Operating profit before working capital changes</b>	<b>1,08,509.14</b>	<b>91,777.68</b>
Movement in working capital:		
Decrease/(increase) in Bank Deposits	-	-
Decrease/(increase) in Trade Receivables	719.44	(745.39)
Decrease/(increase) in Loans	(6,71,955.61)	(8,49,883.68)
Decrease/(increase) in Other financial assets	(3,847.12)	(12,639.08)
Decrease/(increase) in Right-of-use assets	(198.83)	(1,614.10)
Decrease/(increase) in Other non-financial assets	(254.21)	(195.39)
(Decrease)/increase in Lease Liabilities	189.62	1,447.55
(Decrease)/increase in Trade Payables	258.71	(337.27)
(Decrease)/increase in Other financial liabilities	(55,331.83)	6,488.75
(Decrease)/increase in Provisions	519.74	653.41
(Decrease)/increase in Other non-financial liabilities	(1,504.33)	498.60
<b>Cash generated from operations</b>	<b>(6,22,895.28)</b>	<b>(7,64,548.92)</b>
Income tax paid	(25,123.67)	(21,806.12)
<b>Net cash flow from operating activities (A)</b>	<b>(6,48,018.95)</b>	<b>(7,86,355.04)</b>
<b>B. Cash flow from investing activities</b>		
Interest income from investments (at amortised cost)	10,372.55	7,607.01
Interest income from investments (FVTPL)	2,353.23	1,899.45
Purchase for Intangibles	(979.15)	(748.89)
Sale of Property, Plant and Equipment	24.59	34.54
Purchase of Property, plant and equipment	(774.12)	(541.09)
Sale of investment at Amortised Cost	49,878.24	98,193.17
Purchase of investment at Amortised Cost	(48,952.44)	(1,59,689.58)
Proceeds from sale of investment at FVTPL	8,06,963.99	3,05,798.83
Purchase of investment at FVTPL	(8,03,643.76)	(3,04,248.47)
<b>Net cash flow from investing activities (B)</b>	<b>15,243.13</b>	<b>(51,695.03)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Borrowings Debt securities	8,25,173.57	11,71,187.69
Repayment of Borrowings Debt securities	(7,68,000.00)	(7,57,893.88)
Proceeds from Borrowings Other than debt securities	11,83,260.85	9,25,770.35
Repayment from Borrowings Other than debt securities	(7,26,842.39)	(6,35,825.50)
Proceeds from Borrowings Subordinated Liabilities	79,633.48	90,886.55
Repayment from Borrowings Subordinated Liabilities	-	-
Proceeds from issue of Equity Shares (net of share issue expenses)	59,853.02	30,085.92
Payment towards Lease Liability	(880.93)	(973.49)
<b>Net cash flow from financing activities(C)</b>	<b>6,52,197.60</b>	<b>8,23,237.64</b>

# Statement of Cash Flows

for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Net increase/(decrease) in cash and equivalents(A+B+C)</b>	<b>19,421.78</b>	<b>(14,812.43)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60,703.63</b>	<b>75,516.06</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>80,125.41</b>	<b>60,703.63</b>

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash	-	-
Cash and cash equivalents	28,155.27	60,703.63
Investment in highly liquid securities	51,970.14	-
	<b>80,125.41</b>	<b>60,703.63</b>

## Additional disclosure pursuant to IND AS 7

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Opening balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities including interest accrued</b>	<b>27,94,308.77</b>	<b>20,00,183.56</b>
Cash flows (net)*	5,93,225.52	7,94,125.21
<b>Closing balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities</b>	<b>33,87,534.29</b>	<b>27,94,308.77</b>

\*Cash flows (net) includes cash flows and accruals

- The movement in lease liabilities have been disclosed in Note: 39
- Net cash generated from operating activity is determined after adjusting the following:

Operational cash flows from interest	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest paid	2,35,800.31	1,76,330.50
Interest received	4,02,875.30	3,09,706.96

- The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.
- Purchase of PPE represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the period.

## The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 104767W

**Rajen Ashar**  
Partner  
Membership No. 048243  
Place of Signature: Mumbai  
Date: April 17, 2025

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

**Shirish Rahalkar**  
Partner  
Membership No. 111212  
Place of Signature: Mumbai  
Date: April 17, 2025

For and on behalf of the board of Axis Finance Limited

**Amitabh Chaudhry**  
Chairman  
DIN No. 00531120

**Amith Iyer**  
Chief Financial Officer  
CMA Membership No. 51849

**Sai Giridhar**  
Managing Director  
DIN No. 10757486

**Rajneesh Kumar**  
Company Secretary  
Membership No. A31230  
Place of Signature: Mumbai  
Date: April 17, 2025

# Statement of Changes in Equity

for the year ended March 31, 2025

(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 year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2024	59,081.39	-	-	3,624.99	62,706.38
As at March 31, 2025	62,706.38	-	-	6,650.68	69,357.06

## 1A. Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Statutory Reserve	Securities Premium	Retained Earnings	General Reserves	Deemed Capital Contribution	Remeasurement of Post Employment Benefit Obligations	Cash Flow Hedge Reserve	
Balance as at April 1, 2023	43,567.00	97,242.12	1,15,919.53	33.04	1,209.85	104.16	-	2,58,075.70
Profit for the period (A)	-	-	59,720.07	-	-	-	-	59,720.07
Items that will not be reclassified to profit and loss (B)	-	-	-	-	-	(98.58)	-	(98.58)
Items that will be reclassified to profit and loss (C)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period (A+B+C)	-	-	59,720.07	-	-	(98.58)	-	59,621.49
Securities Premium received on issue of shares	-	26,462.44	-	-	-	-	-	26,462.44
Utilization during the year against share issue expense	-	(1.50)	-	-	-	-	-	(1.50)
Transfer to/from retained earnings	11,945.00	-	(11,945.00)	-	-	-	-	-
Balance as at March 31, 2024	55,512.00	1,23,703.06	1,63,694.60	33.04	1,209.85	5.58	-	3,44,158.13
Balance as at April 1, 2024	55,512.00	1,23,703.06	1,63,694.60	33.04	1,209.85	5.58	-	3,44,158.13
Profit for the period (A)	-	-	65,247.34	-	-	-	-	65,247.34
Items that will not be reclassified to profit and loss (B)	-	-	-	-	-	(120.97)	-	(120.97)
Items that will be reclassified to profit and loss (C)	-	-	-	-	-	-	(1,436.60)	(1,436.60)
Total Comprehensive Income for the period (A+B)	-	-	65,247.34	-	-	(120.97)	(1,436.60)	63,689.77
Securities Premium received on issue of shares	-	53,205.41	-	-	-	-	-	53,205.41
Utilization during the period against share issue expense	-	(2.99)	-	-	-	-	-	(2.99)
Transfer to/from retained earnings	13,050.00	-	(13,050.00)	-	-	-	-	-
Balance as at March 31, 2025	68,562.00	1,76,905.48	2,15,891.94	33.04	1,209.85	(115.39)	(1,436.60)	4,61,050.32

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

**For G. M. Kapadia & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 104767W

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

For and on behalf of the board of Axis Finance Limited

**Amitabh Chaudhry**  
Chairman  
DIN No. 00531120

**Sai Giridhar**  
Managing Director  
DIN No. 10757486

**Rajen Ashar**  
Partner  
Membership No. 048243  
Place of Signature: Mumbai  
Date: April 17, 2025

**Shirish Rahalkar**  
Partner  
Membership No. 111212  
Place of Signature: Mumbai  
Date: April 17, 2025

**Amith Iyer**  
Chief Financial Officer  
CMA Membership No. 51849

**Rajneesh Kumar**  
Company Secretary  
Membership No. A31230  
Place of Signature: Mumbai  
Date: April 17, 2025

# Notes

forming part of financial statement for the year ended March 31, 2025

(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, 1956. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from September 12, 2011, holding Certificate of Registration No. "N-13.02001".

The Company is mainly engaged in the business of financing activities. The Company is a wholly-owned subsidiary of Axis Bank Ltd. The Company's registered office is at Ground floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025. Company's Debt securities are listed at BSE Limited.

### 2.1. Statement of Compliance, Basis of Preparation and Presentation of the Financial Statements

#### (i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, to be read with Section 133 of the Companies Act, 2013 ('Act') and relevant amendments rules issued thereafter, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications

Any directions issued by the RBI or other regulators are implemented as and when they become applicable. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

These Financial Statements for the year ended March 31, 2025 have been reviewed by the Audit Committee and were authorized for issue by the Board of Directors of the Company at its meeting held on April 17, 2025.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Material accounting policy information has been identified based on the following criteria provided under Ind AS 1:

- (a) The entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements; or
- (b) The entity chose the accounting policy from one or more options permitted by Ind AS(s); or
- (c) The accounting policy was developed in accordance with Ind AS 8 in the absence of an Ind AS that specifically applies; or
- (d) The accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with para 122 and 125; or
- (e) The accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions – such a situation could arise if an entity applies more than one Ind AS to a class of material transactions.



# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## (ii) Basis of Preparation

The Financial Statements have been prepared and presented on the going concern basis and at historical cost, except for the following which have been measured at fair value:

- Certain financial assets and liabilities;
- Employee's Defined benefit plans-plan assets; and
- Derivative Financial Instruments
- Share-Based payments.

## (iii) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. Except as otherwise indicated, financial information presented in Indian rupees has been rounded to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

## (iv) Presentation and Disclosures of the financial statements

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time,. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

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 32.

## 3. Material accounting policy information

### 3.1 Income and Expenditure

#### i. Interest Income

The Company recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost. The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets. The company recognize late payment interest and other charges in accordance with RBI circular dated 29<sup>th</sup> April 2024 – "Fair Practices Code for Lenders – Charging of Interest".

#### ii. 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.

#### iii. Fees and Commission Income

Fees and commission income other than those that are integral part of EIR are recognized when the Company satisfies the performance obligation over time and as the related services are performed.

#### iv. Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the balance sheet date is recognised as an unrealised gain/loss. Any realised gain or loss on sale of financial instruments measured at FVTPL is recognized in net gain/loss on fair value changes. Similarly, any differences

# Notes

forming part of financial statement for the year ended March 31, 2025

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

between the fair values of financial assets classified as fair value through other comprehensive income are disclosed in the OCI. However, net gain/loss on derecognition of financial instruments classified as amortized cost is presented separately under the respective head in the Statement of Profit and Loss.

## v. Income from Direct assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the expected cash flows on the execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

## vi. Other Operating Income

The Company recognises income on recoveries of financial assets written off on realization.

## vii. Finance Costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

## viii. Employee Benefits

### (A) Short-term employee benefits

Liabilities for salaries and wages, including non-monetary benefits in respect of employees' services up to the end of the reporting period, are recognized as liabilities (and expenses) and are measured at the amounts expected to be paid when the liabilities are settled.

The Company recognizes a liability, and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

### (B) Defined Contribution Plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

### (C) Defined Benefit Plan

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The 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. Gratuity is funded with an approved trust.

In respect of Gratuity being post-retirement benefits, remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, (if applicable) and the return on plan assets (excluding net interest) are reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to the Statement of Profit and Loss.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## **(D) Share-based payments Transactions**

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Parent Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in profit or loss.

## **3.2 Cash and cash equivalents**

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

## **3.3 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.

### **3.3.1 Initial recognition and initial measurement**

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial instruments are added to the fair value. Purchases or sales of financial instruments that require delivery of assets/liabilities within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset/liabilities.

### **3.3.2 Initial recognition, classification and subsequent measurement of financial assets**

Based on the Business Model, the contractual characteristics of the financial assets and specific elections where appropriate, the 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)

#### **Financial asset is carried at amortized cost,**

A financial asset is measured at amortised cost if it meets both the following conditions:

- 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).

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in statement of profit and loss.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

## **Financial assets at fair value through other comprehensive income**

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.

Financial assets included within the FVOCI category are measured subsequently at each reporting date at fair value. Interest income and impairment loss are recognised in the statement of profit and loss. Fair value movements on subsequent measurement are recognised in the OCI.

## **Financial assets at fair value through profit and loss**

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

Financial assets included within the FVTPL category are measured subsequently at each reporting date at fair value. Net gain or loss, including interest and other income are recognised in the Statement of Profit and Loss.

### **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

# Notes

forming part of financial statement for the year ended March 31, 2025

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

- 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 classifies 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).

### 3.3.3 Initial measurement, classification and subsequent measurement of Financial Liabilities and Equity Instruments

The Company classifies these instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

#### Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

#### Financial liabilities

The Company's borrowings include bonds, commercial paper, borrowings from banks, etc. Debt securities issued, subordinated liabilities and other borrowings are initially measured at fair value less directly attributable transaction costs and subsequently measured at their amortised cost using the EIR method.

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

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

### 3.3.4 De-recognition of Financial Assets and Liabilities

#### a) De-recognition of Financial Assets

A financial asset is derecognised 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.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

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.

### **3.3.5 Reclassification of Financial Assets and Financial Liabilities**

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the changes in the business model that results in reclassification.

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.

### **3.3.6 Impairment of Financial Assets - General approach**

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. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

At the end of each reporting period, the Company performs an assessment of whether the 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. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic condition, forward looking information and scenario analysis.

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

# Notes

forming part of financial statement for the year ended March 31, 2025

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

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

- Stage 1: 0 to 30 days past due
- Stage 2: 31 to 60 days past due and 61 to 90 days past due
- Stage 3: more than 90 days past due

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

## **Credit – impaired Financial Assets**

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- Grant of concession given by the lender to the borrower on account of relating to the borrower's financial difficulty economic or contractual reason which otherwise would not be consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that, as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets, where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment, including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back-stop, if amounts are overdue for 90 days or more



# Notes

forming part of financial statement for the year ended March 31, 2025

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

## Significant Increase in Credit Risk

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

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

## ECL is calculated as under:

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

## Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Write-Off

Loans and Debt Securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to the financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains and will be recognized in the Statement of Profit and Loss.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 3.3.7 Derivative financial instruments

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship

### Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

### Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss. The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind-AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

### Fair Value Hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

## 3.4 Taxes

Income tax comprises of current tax and deferred tax. Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears. Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled. The carrying amount of deferred tax assets is reviewed at each reporting date by the Company 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 utilised. Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 'Income Taxes'.

## 3.5 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. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the expenditure incurred with increase the future economic benefits/functionality capability of the asset 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 and resulting gain/loss, if any, is recognized in other income/expenses in the Statement of Profit and Loss in the year the asset is derecognized. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

### Depreciation, estimated useful life and residual value

The depreciation is calculated on straight-line method using the useful lives as estimated by management. Depreciation on assets purchased during the period 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. The residual values, useful lives and method of depreciation of PPE are reviewed annually and adjusted prospectively.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

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

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

Assets	Estimated Useful Life (in years) as per Companies Act, 2013	Estimated Useful Life (in years) as per Management
<b>Tangible Assets:</b>		
Computers	3	3
Servers	3	3
Furniture & Fixtures	10	10
Office Equipment	5	5
Vehicles	8	4
Land and Building	60	60
Leasehold improvements	As per Lease term	As per Lease term
<b>Intangible Assets:</b>		
Software	3	5

Further, Company has made policy of considering the assets costing less than ₹ 10,000 as operating expenses.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Consequently, the useful life of certain vehicles and software differ from the life prescribed in Schedule II of the Act. 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.

## 3.6 Other Intangible Assets and Amortization

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. The cost of an intangible asset comprises of all directly attributable costs.

Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses. The useful life of these intangible assets is estimated at 5 years with zero residual value. 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.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development.

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.

## 3.7 Provisions, Contingent liabilities and Contingent Assets

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.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

The expenses relating to a provision is presented in the statement of profit or loss.

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.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

## 3.8 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at the rates of exchange on the reporting date. Exchange difference on restatement of all other monetary items are recognized as Derivative assets/liabilities.

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, 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.

## 3.9 Leases

### The Company as a lessee

The Company's lease assets primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right – of – use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 3.10 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
- 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.

### 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 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 maximise 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.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

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

## 3.11 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 3.12 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

## 3.13 Events after the reporting period

Events after the reporting period are those events, both favourable and unfavourable 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.

## 3.14 Segment Reporting

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of 'Financing activity'. As the Company operates only in a single business segment, no segment information thereof is given as required under Ind AS 108.

## 3.15 Material accounting judgements, estimates and assumptions

The preparation of Ind AS financial statements requires management to make judgements, 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 judgements, which have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.



# Notes

forming part of financial statement for the year ended March 31, 2025

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

**a) Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**b) Fair Value of Financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**c) Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's 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 judgement, 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 a number of factors, changes which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 30.

**e) Provisions and other contingent liabilities**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a 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 incidents. Significant judgement is required to conclude on these estimates.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## f) **Deferred Tax**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

## g) **Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## **Recent Accounting Pronouncements**

Ministry of Corporate Affairs, via a notification dated 9<sup>th</sup> September 2024, announced amendments to the Companies (Indian Accounting Standards) Rules, 2015. Key revisions include the introduction of new provisions related to leaseback transactions under Indian Accounting Standard (Ind AS) 116. The amendments will be applicable for reporting periods beginning on or after 1<sup>st</sup> April 2024.

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 12, 2024, the Ministry of Corporate Affairs (MCA) notified Ind AS 117, "Insurance Contracts," amending the Companies (Indian Accounting Standards) Rules, 2015, to be effective from April 1, 2024.

Management has assessed the above amendments and is of the view that these amendments are not impacting to the Company.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks	28,155.27	60,703.63
Investment in highly liquid securities	51,970.14	-
<b>Total</b>	<b>80,125.41</b>	<b>60,703.63</b>

## 5 Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
a) Trade Receivables considered good – Unsecured		
- Related parties	-	-
- Others	39.83	759.27
b) Other Receivables considered good – Unsecured	-	-
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
Total Receivables	39.83	759.27
Less: Impairment loss allowance	-	-
<b>Total</b>	<b>39.83</b>	<b>759.27</b>

No amount is due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

There is no Unbilled amount of receivables as on March 31, 2025 (March 31, 2024: NIL).

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 5a Receivables ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment <sup>#</sup>					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good, Unsecured	39.83	-	-	-	-	39.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

## Receivables ageing as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment <sup>#</sup>					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good, Unsecured	759.27	-	-	-	-	759.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

<sup>#</sup>The ageing of the receivable is determined from the date of the transaction.

## 6 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(A) Loans</b>		
(1) Term Loans at amortised cost	37,29,195.02	30,72,511.21
(2) Loans repayable on demand at amortised cost	-	-
	37,29,195.02	30,72,511.21
Less: Impairment loss allowance	(53,918.65)	(36,833.72)
<b>Total</b>	<b>36,75,276.37</b>	<b>30,35,677.49</b>
<b>(B) Out of above</b>		
(i) Loans in India		
Loans to Public Sector	-	-
Loans to Others	37,29,195.02	30,72,511.21
	37,29,195.02	30,72,511.21
Less: Impairment loss allowance	(53,918.65)	(36,833.72)
<b>Total</b>	<b>36,75,276.37</b>	<b>30,35,677.49</b>
(ii) Loans outside India	-	-
<b>Total (i+ii)</b>	<b>36,75,276.37</b>	<b>30,35,677.49</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(C) Out of above</b>		
1) Secured by tangible assets	31,43,446.31	24,82,760.93
2) Covered by Bank/Government Guarantees/NCGTC	19,800.58	25,183.15
3) Unsecured	5,65,948.13	5,64,567.13
<b>Total Loans</b>	<b>37,29,195.02</b>	<b>30,72,511.21</b>
Less: Impairment loss allowance	(53,918.65)	(36,833.72)
<b>Total</b>	<b>36,75,276.37</b>	<b>30,35,677.49</b>

## Notes:-

- Loans to the extent of ₹ in lakhs 31,63,246.89 (March 31, 2024: 25,07,944.08) 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 and/or
  - Government guarantees
  - Pledge of shares & other financial securities.
- There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
- There are no Loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are: (a) repayable on demand or (b) without specifying any terms or period of repayment as at March 31, 2025 (March 31, 2024: NIL).
- Refer Note 30 for Credit quality of financial assets and Expected credit loss.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 7 Investments

Particulars	As at March 31, 2025		
	Amortised Cost	At Fair value through Profit & Loss Account	Total
	1	2	(3=1+2)
<b>Investments In India</b>			
<b>Quoted</b>			
Investment in Government Securities	71,577.86	3,658.08	75,235.94
Investment in Other Securities	-	5,117.63	5,117.63
Investment in Debt Securities	26,491.07	-	26,491.07
<b>Unquoted</b>			
Investment in Debt Securities	46,893.64	-	46,893.64
<b>Total - Gross (A)</b>	<b>1,44,962.57</b>	<b>8,775.71</b>	<b>1,53,738.28</b>
Less: Impairment loss allowance (B)	(325.22)	-	(325.22)
<b>Total - Net (A-B)</b>	<b>1,44,637.35</b>	<b>8,775.71</b>	<b>1,53,413.06</b>

- 1) There is no investment measured at FVOCI or designated at FVOCI.
- 2) There are no investment outside India.
- 3) Impairment loss allowance is created on Debt Securities.

Particulars	As at March 31, 2024		
	Amortised Cost	At Fair value through Profit & Loss Account	Total
	1	2	(3=1+2)
<b>Investments In India</b>			
<b>Quoted</b>			
Investment in Government Securities	57,851.42	4,063.22	61,914.64
Investment in Other Securities	-	5,348.59	5,348.59
Investment in Debt Securities	37,963.76	-	37,963.76
<b>Unquoted</b>			
Investment in Debt Securities	49,955.97	-	49,955.97
<b>Total - Gross (A)</b>	<b>1,45,771.15</b>	<b>9,411.81</b>	<b>1,55,182.96</b>
Less: Impairment loss allowance (B)	(366.68)	-	(366.68)
<b>Total - Net (A-B)</b>	<b>1,45,404.47</b>	<b>9,411.81</b>	<b>1,54,816.28</b>

- 1) There is no investment measured at FVOCI or designated at FVOCI.
- 2) There are no investment outside India.
- 3) Impairment loss allowance is created on Debt Securities.

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## 8 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Security Deposits*	1,071.04	990.62
Excess Interest Spread	11,790.20	15,661.98
Other Assets	6,379.51	716.09
<b>Total</b>	<b>19,240.75</b>	<b>17,368.69</b>

\*Security Deposits are shown at Amortised Cost.

## 9 Deferred tax & Income Tax:

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

Deferred Tax Asset/(Liability)	As at March 31, 2025	As at March 31, 2024
Unamortised Processing Fees on loans	735.88	961.92
Lease and Deposit Fair Value	51.19	43.15
Expected Credit Loss	13,570.23	9,270.29
Unamortized Processing Fees on Term Loan borrowings	93.90	1.32
Other temporary difference	557.14	68.44
Depreciation	(66.11)	(72.54)
Unamortized Processing Fees on NCD borrowings	(547.62)	(7.37)
<b>Total</b>	<b>14,394.61</b>	<b>10,265.21</b>

## Movement of Deferred Tax Assets/(Liability)

### For the year ended March 31, 2025

Deferred taxes in relation to	Deferred Tax Asset/(Liability) as on April 1, 2024	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Total movement	Deferred Tax Asset/(Liability) as on March 31, 2025
<b>Deferred tax assets</b>						
Unamortized Processing Fees on loans	961.92	(226.04)	-	-	(226.04)	735.88
Lease and Deposit Fair Value	43.15	8.03	-	-	8.03	51.19
Expected Credit Loss	9,270.29	4,299.94	-	-	4,299.94	13,570.23
Unamortized Processing Fees on Term Loan borrowings	1.32	92.58	-	-	92.58	93.90
Other temporary difference	68.44	(35.14)	523.84	-	488.70	557.14
<b>Deferred tax liabilities</b>						
Depreciation	(72.54)	6.43	-	-	6.43	(66.11)
Unamortized Processing Fees on NCD borrowings	(7.37)	(540.25)	-	-	(540.25)	(547.62)
	<b>10,265.21</b>	<b>3,605.55</b>	<b>523.84</b>	<b>-</b>	<b>4,129.39</b>	<b>14,394.61</b>



# Notes

forming part of financial statement for the year ended March 31, 2025

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

## For the year ended March 31, 2024

Deferred taxes in relation to	Deferred Tax Asset/(Liability) as on April 1, 2023	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Total movement	Deferred Tax Asset/(Liability) as on March 31, 2024
<b>Deferred tax assets</b>						
Unamortized Processing Fees on loans	634.58	327.34	-	-	327.34	961.92
Lease and Deposit Fair Value	26.06	17.09	-	-	17.09	43.15
Expected Credit Loss	7,508.87	1,761.42	-	-	1,761.42	9,270.29
Unamortized Processing Fees on Term Loan borrowings	0.91	0.41	-	-	0.41	1.32
Other temporary difference	95.46	(60.17)	33.15	-	(27.02)	68.44
<b>Deferred tax liabilities</b>						
Depreciation	(115.49)	42.95	-	-	42.95	(72.54)
EIR Adjustment on Interest income	(0.16)	0.16	-	-	0.16	-
Unamortized Processing Fees on NCD borrowings	(177.99)	170.62	-	-	170.62	(7.37)
	<b>7,972.24</b>	<b>2,259.82</b>	<b>33.15</b>	<b>-</b>	<b>2,292.97</b>	<b>10,265.21</b>

The components of income tax expense are as under	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Tax	26,033.09	21,994.68
Adjustment in respect of current income tax of prior years	44.65	-
Deferred tax relating to origination and reversal of temporary differences	(3,605.54)	(2,259.81)
<b>Total tax charge</b>	<b>22,472.20</b>	<b>19,734.87</b>
Current Tax	26,077.74	21,994.68
Deferred tax	(3,605.54)	(2,259.81)

Income Tax recognised in Other comprehensive income	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax relating to items that will not be reclassified to profit or loss	(40.68)	(33.15)
Income tax relating to items that will be reclassified to profit or loss	(483.16)	-
Total income tax recognised in other comprehensive income (debit)	(523.84)	(33.15)

## Current Tax Assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Tax Assets (net of provision for income tax)	3,441.52	5,018.65

## Current tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Current tax liabilities (net of advance income tax)	483.33	1,106.38

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	87,719.54	79,454.94
Applicable income tax rate (%)	25.17	25.17
Income tax expense calculated at applicable income tax rate	22,077.25	19,997.22
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Difference other than temporary in nature on account of tax benefits and others:-		
1) Tax on capital gains	(342.71)	(229.87)
2) Others	737.66	(32.48)
Income tax expense recognised in Statement of Profit and Loss	<b>22,472.20</b>	<b>19,734.87</b>
Effective tax rate for the year	25.62%	24.84%

## 10 Property, Plant and Equipment (PPE)

Particulars	Computers	Office equipment	Furniture & fixtures	Leasehold Improvements	Vehicles	Land and Building	Total
<b>Cost:</b>							
As at April 1, 2023	754.23	68.54	87.04	31.50	307.90	4.50	1,253.71
Additions	212.67	16.78	42.25	-	269.39	-	541.09
Disposals	(20.00)	-	-	-	(46.97)	-	(66.97)
As at March 31, 2024	946.90	85.32	129.29	31.50	530.32	4.50	1,727.83
Additions	303.38	27.90	102.93	1.35	338.56	-	774.12
Disposals	(157.07)	(7.44)	(1.00)	-	(42.01)	-	(207.52)
As at March 31, 2025	<b>1,093.21</b>	<b>105.78</b>	<b>231.22</b>	<b>32.85</b>	<b>826.87</b>	<b>4.50</b>	<b>2,294.43</b>
<b>Depreciation and impairment:</b>							
As at April 1, 2023	538.70	25.25	14.85	0.53	60.83	0.66	640.82
Disposals	(19.03)	-	-	-	(17.66)	-	(36.69)
Depreciation charge for the year	164.86	14.43	9.68	3.50	117.87	0.08	310.42
As at March 31, 2024	684.53	39.68	24.53	4.03	161.04	0.74	914.55
Disposals	(156.34)	(7.44)	(1.00)	-	(20.86)	-	(185.64)
Depreciation charge for the year	196.59	18.37	16.79	3.75	171.37	0.08	406.95
As at March 31, 2025	<b>724.78</b>	<b>50.61</b>	<b>40.32</b>	<b>7.78</b>	<b>311.55</b>	<b>0.82</b>	<b>1,135.86</b>
<b>Net book value:</b>							
As at March 31, 2024	262.37	45.64	104.76	27.47	369.28	3.76	813.28
As at March 31, 2025	<b>368.43</b>	<b>55.17</b>	<b>190.90</b>	<b>25.07</b>	<b>515.32</b>	<b>3.68</b>	<b>1,158.57</b>

- 1) The Company does not have any benami properties as on reporting date.
- 2) The Company has not revalued any of its PPE during the year.
- 3) Title deeds of the immovable property (Land) is held in the name of the Company.
- 4) Title deeds of all immovable properties are held in the name of the Company.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 11 Other Intangible Assets

Particulars	Software	Total
<b>Computer software</b>		
<b>Cost:</b>		
<b>As at April 1, 2023</b>	<b>3,122.08</b>	<b>3,122.08</b>
Additions	659.88	659.88
Disposals	-	-
<b>As at March 31, 2024</b>	<b>3,781.96</b>	<b>3,781.96</b>
Additions	992.13	992.13
Disposals	-	-
<b>As at March 31, 2025</b>	<b>4,774.09</b>	<b>4,774.09</b>
<b>Accumulative amortisation and impairment:</b>		
<b>As at April 1, 2023</b>	<b>1,746.61</b>	<b>1,746.61</b>
Disposals	-	-
Amortisation charge for the year	643.43	643.43
<b>As at March 31, 2024</b>	<b>2,390.04</b>	<b>2,390.04</b>
Disposals	-	-
Amortisation charge for the year	659.94	659.94
<b>As at March 31, 2025</b>	<b>3,049.98</b>	<b>3,049.98</b>
<b>Net book value Softwares:</b>		
<b>As at March 31, 2024</b>	<b>1,391.92</b>	<b>1,391.92</b>
<b>As at March 31, 2025</b>	<b>1,724.11</b>	<b>1,724.11</b>
<b>Intangible assets under development</b>		
<b>As at March 31, 2024</b>	<b>102.45</b>	<b>102.45</b>
<b>As at March 31, 2025</b>	<b>89.48</b>	<b>89.48</b>

1) The Company has not revalued any of its Intangible assets during the year.

### 11a Capital Work-in-Progress (CWIP) and Intangible assets under development ageing as at March 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	89.48	-	-	-	89.48
Projects temporarily suspended	-	-	-	-	-

### CWIP completion schedule

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1 - PENNANT Application	17.50	-	-	-
Project 2 - EY Compliance Manager Tool	12.00	-	-	-
Project 3 - others	59.98	-	-	-

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## Capital Work-in-Progress (CWIP) and Intangible assets under development ageing as at March 31, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	98.96	3.49	-	-	102.45
Projects temporarily suspended	-	-	-	-	-

## CWIP completion schedule

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1 - API Integration	61.00	-	-	-
Project 2 - Applicant Tracking to managing the talent acquisition process	22.80	-	-	-
Project 3 - DSA onboarding portal	-	18.65	-	-

## 12 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	1,347.25	1,129.37
Balances with government authorities		
- GST Input tax credit	85.72	49.38
<b>Total</b>	<b>1,432.97</b>	<b>1,178.75</b>

## 13 Payables

Particulars	As at March 31, 2025	As at March 31, 2024
<b>i) Trade Payables</b>		
a) total outstanding dues to micro and small enterprises	-	-
b) total outstanding dues of creditors other than micro and small enterprises		
- Due to Related parties	39.97	1.31
- Due to others	44.00	63.00
<b>ii) Other Payables</b>		
a) total outstanding dues to micro and small enterprises	324.39	274.38
b) total outstanding dues of creditors other than micro and small enterprises	4,680.92	4,491.89
<b>Total</b>	<b>5,089.28</b>	<b>4,830.58</b>

- No amount is due to directors or other officers of the Company either severally or jointly with any other person, or to firms or private companies respectively in which any director is a partner, a director or a member.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 13a Trade Payables ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	308.08	16.31	-	-	324.39
(ii) Others	4,650.27	114.62	-	-	4,764.89
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

1) Includes unbilled amount of ₹ 4,766.26 lakhs

## Trade Payables ageing as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	274.38	-	-	-	274.38
(ii) Others	4,556.20	-	-	-	4,556.20
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

1) Includes unbilled amount of ₹ 4,766.26 lakhs

2) The ageing of Trade Payables is determined from the date of the transaction.

## 14 Debt Securities

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost (In India)</b>		
<b>Secured</b>		
Non-Convertible Debentures (NCD)	10,71,223.69	10,18,797.39
Accrued Interest on NCD & Transaction cost		
<b>Unsecured</b>		
Commercial paper	2,01,000.00	1,97,000.00
Less: Unamortised Discounting Charges	(5,400.84)	(6,148.13)
<b>Total</b>	<b>12,66,822.85</b>	<b>12,09,649.26</b>

### 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 of minimum 1 to 1.1 time cover.
- Non-Convertible Debentures carry interest @ 6.10% to 8.35%. Unsecured commercial paper carry interest @ 7.62% to 7.95%. In respect of commercial paper, maximum amount outstanding during the year was ₹ in lakhs 2,93,970.00 (March 31, 2024: 2,85,054.40).
- There are no redeemed debentures which the Company has power to reissue.
- There have been no default in payment of principal or interest during the year.
- There are no Debt Securities measured at FVTPL or measure at designated at FVTPL.
- There is no Debt Instrument which has been issued Outside India.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## Particulars of Secured non-convertible debentures

Particulars	Face Value	Asset Cover	ROI	Qty	As at March 31, 2025
NCD maturing within one year	1,00,000	1.0x to 1.10x	0% to 8.35%	84500	86,221.08
NCD maturing after one year	1,00,000	1.0x to 1.10x	7.85% to 8.35%	708820	7,29,689.55
NCD maturing within one year	10,00,000	1.0x to 1.10x	6.10% to 7.70%	13550	1,43,061.56
NCD maturing after one year	10,00,000	1.0x to 1.10x	6.55 % to 7.70%	10940	1,12,251.50
				<b>817810</b>	<b>10,71,223.69</b>

Particulars	Face Value	Asset Cover	ROI	Qty	As at March 31, 2024
NCD maturing after one year	1,00,000	1.0x to 1.10x	0% to 8.35%	526200	5,38,914.74
NCD maturing within one year	10,00,000	1.0x to 1.10x	0% to 8.30%	21650	2,25,220.44
NCD maturing after one year	10,00,000	1.0x to 1.10x	0% to 7.70%	24490	2,54,662.21
				<b>572340</b>	<b>10,18,797.39</b>

## Particulars of Commercial Paper

Maturity date	Face Value	Qty	As at March 31, 2025
CP maturing within one year	5,00,000	40,200	2,01,000.00
		<b>40,200</b>	<b>2,01,000.00</b>

Maturity date	Face Value	Qty	As at March 31, 2024
CP maturing within one year	5,00,000	39,400	1,97,000.00
		<b>39,400</b>	<b>1,97,000.00</b>

## 15 Borrowings (Other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost (In India)</b>		
<b>Secured</b>		
Loan from related party	21,403.51	81,779.85
Loan from other Banks	16,03,034.35	12,51,246.07
<b>At Amortised Cost (Outside India)</b>		
<b>Secured</b>		
External Commercial Borrowings	1,72,732.78	-
Foreign currency term loan from bank	-	7,726.27
<b>Total</b>	<b>17,97,170.64</b>	<b>13,40,752.19</b>

1. Term Loan amounting to ₹ in lakhs 17,97,170.65, (March 31, 2024: 13,40,752.19) 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 @ 7.43% to 9.35%.
2. During the year the Company has defaulted in the repayment of a term loan from IDBI Bank amounting to ₹ 600 lakhs by 1 day. As represented by the management, the delay was on account of a technical delay from the bank.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 3. Term Loan from Banks will be repaid as per below

Repayment	As at March 31, 2025	As at March 31, 2024
Loans maturing within one year	1,67,742.52	68,562.04
Loans maturing after one year	16,29,428.12	12,72,190.15
	<b>17,97,170.64</b>	<b>13,40,752.19</b>

## 16 Subordinated Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost (In India)</b>		
<b>Unsecured</b>		
Subordinated debt (Non-convertible debentures)	3,23,540.80	2,43,907.32
<b>Total</b>	<b>3,23,540.80</b>	<b>2,43,907.32</b>

- 1) There have been no default in payment of principal or interest during the period/year.
- 2) There are no Debt Securities measured at FVTPL or measure at designated at FVTPL.
- 3) There is no Debt Instrument which has been issued Outside India.

Particulars	Face Value	ROI	Qty	As at March 31, 2025
NCD maturing after one year	1,00,000	8.28% to 8.38%	142500	1,48,057.22
NCD maturing after one year	10,00,000	7.40% to 8.80%	6700	70,697.52
NCD maturing after one year	1,00,00,000	7.42% to 8.73%	1015	1,04,786.06
			<b>150215</b>	<b>3,23,540.80</b>

Particulars	Face Value	ROI	Qty	As at March 31, 2024
NCD maturing after one year	1,00,000	8.28% to 8.38%	82500	83,921.06
NCD maturing after one year	10,00,000	7.40% to 8.80%	6700	70,764.22
NCD maturing after one year	1,00,00,000	7.42% to 9.73%	865	89,222.04
			<b>90065</b>	<b>2,43,907.32</b>

(In case of Perpetual Debt, reference of call option date is given.)



# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 17 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advances from customers	52.20	3,492.37
Other financial liabilities*	20,464.93	72,356.60
<b>Total</b>	<b>20,517.13</b>	<b>75,848.97</b>

(\*This also includes book overdraft, unapportioned credits pertaining to loans, payable to assignment partners, etc.)

## 18 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
- Provision for gratuity	153.26	105.83
- Short-term employee benefit payable	4,241.98	3,608.07
<b>Total</b>	<b>4,395.24</b>	<b>3,713.90</b>

## 19 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Undisputed statutory dues	1,818.71	1,403.29
<b>Total</b>	<b>1,818.71</b>	<b>1,403.29</b>

## 20 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised Share Capital</b>		
1,00,00,00,000 (March 31, 2024: 1,00,00,00,000) equity shares of ₹10/- each	1,00,000.00	1,00,000.00
	<b>1,00,000.00</b>	<b>1,00,000.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
69,35,70,539 (March 31, 2024: 62,70,63,775) equity shares of ₹10/- each	69,357.05	62,706.38
	<b>69,357.05</b>	<b>62,706.38</b>

### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period/year

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	62,70,63,775	59,08,13,886
Issued during the year	6,65,06,764	3,62,49,889
Reductions during the year	-	-
<b>Balance at the end of the year</b>	<b>69,35,70,539</b>	<b>62,70,63,775</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

During the year ended March 31, 2025 the Company has issued equity shares to existing shareholders on right issue in following tranche:-

- 1) 6,65,06,764 equity shares of ₹10 each at premium of ₹80 each amounting ₹ to 59,856.09 lakhs in month of November 2024.

During the year ended March 31, 2024 the Company has issued equity shares to existing shareholders on rights issue in two tranches:-

- 1) 1,81,78,889 equity shares of ₹10 each at premium of ₹73 each amounting to ₹15,088.48 lakhs in the month of November 2023.
- 2) 1,80,71,000 equity shares of ₹10 each at premium of ₹73 each amounting to ₹14,998.93 lakhs in the month of December 2023.

## (b) Terms, rights, preferences and restrictions 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.

- (c) 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.

## (d) 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, 2025	As at March 31, 2024
<b>Axis Bank Limited (the holding Company) and its Nominees</b>		
69,35,70,539 (March 31, 2024: 62,70,63,775) equity shares of ₹ 10/- each	69,357.05	62,706.38

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

Particulars	As at March 31, 2025 % of Holding	As at March 31, 2024 % of Holding
<b>Equity shares of ₹ 10 each fully paid</b>		
Axis Bank Limited (the holding Company) and its Nominees	100%	100%

## f) Shareholding of Promoters as at March 31, 2025 as under:

S. No.	Promoter name	Shares held by promoters as at March 31, 2025		
		No. of Shares	% of total shares	% Change during the year
1	Axis Bank Limited	69,35,70,539	100%	No change in shareholding
	<b>Total</b>			

## Shareholding of Promoters as at March 31, 2024 as under:

S. No.	Promoter name	Shares held by promoters as at March 31, 2024		
		No. of Shares	% of total shares	% Change during the year
1	Axis Bank Limited	62,70,63,775	100%	No change in shareholding
	<b>Total</b>			

- (g) The Board of directors has not recommended any dividend to shareholders for the year ended March 31, 2025 (March 31, 2024: NIL).

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## 21 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Securities Premium</b>		
Balance at the beginning of the year	1,23,703.06	97,242.12
Add:- Addition during the year	53,205.41	26,462.44
Less:- Utilization during the year against share issue expense	(2.99)	(1.50)
<b>Balance at the end of the year</b>	<b>1,76,905.48</b>	<b>1,23,703.06</b>
<b>Statutory Reserve u/s 45-IC of the RBI Act, 1934</b>		
Balance at the beginning of the year	55,512.00	43,567.00
Add:- Addition during the year	13,050.00	11,945.00
<b>Balance at the end of the year</b>	<b>68,562.00</b>	<b>55,512.00</b>
<b>Deemed Capital Contribution</b>		
Balance at the beginning of the year	1,209.85	1,209.85
Add:- Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>1,209.85</b>	<b>1,209.85</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	1,63,694.60	1,15,919.53
Total Comprehensive income for the year	65,247.34	59,720.07
Less:- Final Dividend	-	-
Less:- Dividend distribution tax on final dividend	-	-
Less:- Transfer to statutory reserve	(13,050.00)	(11,945.00)
<b>Balance at the end of the year</b>	<b>2,15,891.94</b>	<b>1,63,694.60</b>
<b>Other Comprehensive Income (OCI)</b>		
Remeasurement of Post Employment Benefit		
Balance at the beginning of the year	5.58	104.16
Add:- Addition during the year	(120.97)	(98.58)
<b>Balance at the end of the year (A)</b>	<b>(115.39)</b>	<b>5.58</b>
<b>Cash Flow Hedge Reserve</b>		
Balance at the beginning of the year	-	-
Add:- Addition during the year	(1,436.60)	-
<b>Balance at the end of the year (B)</b>	<b>(1,436.60)</b>	<b>-</b>
<b>Other Comprehensive Income (OCI) (A+B)</b>	<b>(1,551.99)</b>	<b>5.58</b>
<b>General Reserves</b>		
Balance at the beginning of the year	33.04	33.04
Add:- Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>33.04</b>	<b>33.04</b>
<b>Total</b>	<b>4,61,050.32</b>	<b>3,44,158.13</b>

### Securities Premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

### Statutory Reserve u/s 45-IC of RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## Deemed Capital Contribution

The selected employees of the Company were entitled to receive options of Parent company and the Company subsequently did not have obligation to settle the award and hence, the award was treated as Equity settled plan till 30 June 2021. Accordingly, the Company has recognized an expense for the grant date fair value of award over the vesting year and corresponding credit as "Deemed Capital Contribution" by parent. The Company has done so for all grants awarded till 31 March 2020 in this manner.

## Debenture Redemption Reserve

Debenture Redemption Reserve has not been created as the Company has issued its Non convertible debentures through private placement.

## Retained Earnings

Retained earnings represents undistributed accumulated earnings of the Company as on Balance Sheet date.

## General Reserves

General reserves represents the balance of reserves transferred on merger of Axis Private Equity Limited with the Company.

## Cash Flow Hedges Reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

## 22 Interest Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on Loans (at amortised cost)	3,79,316.44	2,87,469.49
Interest income from investments (at amortised cost)	10,489.74	7,897.53
Interest income from investments (FVTPL)	2,430.60	1,887.54
Interest on Fixed Deposits with Banks	616.86	361.81
Interest on Lease Deposits	49.38	54.04
Other Interest Income	10.33	-
<b>Total</b>	<b>3,92,913.35</b>	<b>2,97,670.41</b>

## 23 Fees and Commission Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cheque/NACH Bouncing Charges	339.95	198.86
Pre/Part payment Charges	1,809.65	393.10
Foreclosure Charges	4,622.79	2,994.08
Insurance Income	1,748.75	-
Others	1,596.30	625.36
<b>Total</b>	<b>10,117.44</b>	<b>4,211.40</b>

## 23a Other Operating Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Recovery from Write off	1,788.77	693.80
<b>Total</b>	<b>1,788.77</b>	<b>693.80</b>

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## 23b Other Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend Income	295.09	-
Advertisement Income	256.52	131.12
Interest on income tax refund	132.81	-
<b>Total</b>	<b>684.42</b>	<b>131.12</b>

## 24 Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>On trading portfolio</b>		
Net gain on fair value changes (Realised)	2,735.31	3,342.98
Net gain on fair value changes (Unrealised)	(128.53)	508.24
<b>Total</b>	<b>2,606.78</b>	<b>3,851.22</b>

## 25 Finance Costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Interest expenses on financial liabilities measured at amortised cost</b>		
Interest on borrowings	1,22,907.89	1,00,168.81
Interest on debt securities	78,763.68	51,682.14
Discount on commercial paper	17,175.84	15,056.09
Interest on subordinated liabilities	22,848.47	14,354.53
Interest on lease liabilities	140.76	160.89
Other Finance expense	1,728.53	1,550.61
Interest On Income Tax	9.25	-
<b>Total</b>	<b>2,43,574.42</b>	<b>1,82,973.07</b>

## 26 Impairment on financial instruments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Impairment on financial instruments at amortised cost</b>		
Loans*	32,356.73	15,209.87
Investments	(41.46)	192.18
<b>Total</b>	<b>32,315.27</b>	<b>15,402.05</b>

\*Note: It includes loan written off during the period amounting to ₹ 14,669.13 lakhs (Previous period: ₹ 7,832.53 lakhs).

## 27 Employee Benefits Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages (including bonus)	25,201.35	22,083.80
Share-based payments to employees	664.78	1,308.60
Contribution to provident and other funds	871.89	693.05
Gratuity expenses	185.96	128.38
Staff welfare expenses	498.49	304.30
<b>Total</b>	<b>27,422.47</b>	<b>24,518.13</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 28 Depreciation, amortization and impairment

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Property, plant and equipment	406.94	310.44
Other Intangible assets	659.94	643.42
Right-of-use assets	962.22	1,085.54
<b>Total</b>	<b>2,029.10</b>	<b>2,039.40</b>

## 29 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	619.42	314.16
Electricity expenses	182.89	167.02
Repairs and maintenance - others	673.84	492.17
Printing and stationery	106.22	108.06
Travelling and conveyance	1,198.75	902.19
Professional fees	4,319.99	1,924.45
CSR expenditure*	1,351.19	999.76
Director sitting fees	191.00	188.00
Auditors Remuneration**	95.00	90.00
Telephone and internet expenses	278.37	254.51
Business promotion	37.59	27.43
Rates & taxes	8.40	15.20
Royalty charges	615.12	460.19
Service charges	605.62	424.88
Office expenses	316.12	240.21
GST Expense out (50% of input credit)	2,931.01	2,664.23
Subscription expenses	936.02	415.04
Collection agency payout	1,308.06	547.44
Waiver Write off charges	307.75	112.25
Insurance expenses	2.03	2.79
Miscellaneous expenses	918.32	675.78
<b>Total</b>	<b>17,002.71</b>	<b>11,025.76</b>

\* Corporate Social Responsibility expenditure (CSR)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Gross amount required to be spent by the Company during the year	1,351.19	999.76
(b) Amount spent in cash during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	1,351.19	999.76
(c) Excess/(Shortfall) at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	-	-
(f) Nature of CSR activities (activities as per Schedule VII)	1,351.19	999.76
(g) Details of related party transactions	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-
<b>Total</b>	<b>1,351.19</b>	<b>999.76</b>

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## \*\* Payment to Auditors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>As Auditors</b>		
Audit Fee	90.00	85.00
Tax Audit Fee	-	-
Certification and other fees	5.00	5.00
Reimbursement of expenses	-	-
<b>Total</b>	<b>95.00</b>	<b>90.00</b>

## 30 Credit Quality of Financial Assets & Expected Credit Loss (ECL)

### A) Loans and Advances

#### (i) Loans and advances (at amortised cost)

Particulars	March 31, 2025	March 31, 2024
<b>Total - Gross</b>	<b>37,29,195.02</b>	<b>30,72,511.21</b>
Less: Impairment loss allowance	53,918.65	36,833.72
<b>Total - Net</b>	<b>36,75,276.37</b>	<b>30,35,677.49</b>
a) Secured by tangible assets & Bank/Government Guarantees	31,63,246.89	25,07,944.08
b) Unsecured	5,65,948.13	5,64,567.13
<b>Total - Gross</b>	<b>37,29,195.02</b>	<b>30,72,511.21</b>
Less: Impairment loss allowance	53,918.65	36,833.72
<b>Total - Net</b>	<b>36,75,276.37</b>	<b>30,35,677.49</b>

Note: Facilities covered by ECLGS are clubbed according to nature of the parent loan.

#### (ii) Credit quality of assets

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Performing</b>				
Standard	36,19,335.71	-	-	36,19,335.71
Past due but not impaired	-	39,227.43	-	39,227.43
<b>Non-Performing</b>				
Individually Impaired	-	-	16,713.23	16,713.23
<b>Total</b>	<b>36,19,335.71</b>	<b>39,227.43</b>	<b>16,713.23</b>	<b>36,75,276.37</b>

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Performing</b>				
Standard	29,99,720.37	-	-	29,99,720.37
Past due but not impaired	-	28,416.52	-	28,416.52
<b>Non-Performing</b>				
Individually Impaired	-	-	7,540.60	7,540.60
<b>Total</b>	<b>29,99,720.37</b>	<b>28,416.52</b>	<b>7,540.60</b>	<b>30,35,677.49</b>



# Notes

forming part of financial statement for the year ended March 31, 2025

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

## (iii) Reconciliation of Gross carrying amount-loans

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	30,27,248.21	30,789.52	14,473.48	30,72,511.21
New assets originated (refer note 1 below)	16,91,430.83	8,242.62	4,001.54	17,03,674.99
Assets repaid (excluding write offs)	(10,26,146.45)	(3,742.47)	(2,433.13)	(10,32,322.05)
Transfers to Stage 1	9,452.81	(4,796.58)	(4,656.23)	-
Transfers to Stage 2	(19,354.97)	19,783.02	(428.05)	-
Transfers to Stage 3	(29,985.86)	(6,931.44)	36,917.30	-
Amounts written off	-	-	(14,669.13)	(14,669.13)
<b>Gross carrying amount closing balance</b>	<b>36,52,644.57</b>	<b>43,344.68</b>	<b>33,205.78</b>	<b>37,29,195.02</b>

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	21,87,920.53	28,849.82	13,689.70	22,30,460.05
New assets originated (refer note 1 below)	17,74,944.86	2,522.47	6,794.54	17,84,261.87
Assets repaid (excluding write offs)	(9,28,310.87)	(2,940.68)	(3,126.63)	(9,34,378.18)
Transfers to Stage 1	9,325.42	(4,679.59)	(4,645.83)	-
Transfers to Stage 2	(8,793.58)	8,793.58	-	-
Transfers to Stage 3	(7,838.15)	(1,756.08)	9,594.23	-
Amounts written off	-	-	(7,832.53)	(7,832.53)
<b>Gross carrying amount closing balance</b>	<b>30,27,248.21</b>	<b>30,789.52</b>	<b>14,473.48</b>	<b>30,72,511.21</b>

Note 1: New assets originated represents fresh disbursements made during the year. Classification of new assets originated in stage1,2,3 is based on year end staging.

## (iv) Reconciliation of Expected Credit Loss (ECL)/allowance

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	27,527.76	2,373.05	6,932.91	36,833.72
New assets originated or purchased	16,433.12	207.73	629.36	17,270.21
Assets derecognised or repaid (excluding write offs)	(10,048.72)	(489.27)	(648.54)	(11,186.53)
Transfers to Stage 1	4,030.02	(592.72)	(3,437.30)	-
Transfers to Stage 2	(344.13)	535.00	(190.87)	-
Transfers to Stage 3	(273.02)	(191.41)	464.43	-
Impact on year end ECL of exposures transferred between stages during the year	(4,016.28)	2,274.92	27,411.73	25,670.37
Amounts written off	-	-	(14,669.13)	(14,669.13)
<b>ECL allowance - closing balance</b>	<b>33,308.75</b>	<b>4,117.31</b>	<b>16,492.59</b>	<b>53,918.65</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	19,461.51	2,542.45	7,831.13	29,835.09
New assets originated or purchased*	11,270.43	236.22	6,747.21	18,253.86
Assets derecognised or repaid (excluding write offs)	(3,093.21)	(188.46)	(515.68)	(3,797.35)
Transfers to Stage 1	3,909.08	(687.10)	(3,221.98)	-
Transfers to Stage 2	(89.16)	89.16	-	-
Transfers to Stage 3	(77.63)	(156.28)	233.91	-
Impact on year end ECL of exposures transferred between stages during the year	(3,853.26)	537.06	3,690.85	374.65
Amounts written off	-	-	(7,832.53)	(7,832.53)
<b>ECL allowance - closing balance</b>	<b>27,527.76</b>	<b>2,373.05</b>	<b>6,932.91</b>	<b>36,833.72</b>

\*New assets originated represents fresh disbursements made during the year. Classification of new assets originated in stage1,2,3 is based on year end staging.

## (v) Undrawn commitment - Credit Quality of Assets

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Performing</b>				
Standard	3,01,936.45	2,764.46	-	3,04,700.91
<b>Non-Performing</b>				
Individually Impaired	-	-	-	-
<b>Total</b>	<b>3,01,936.45</b>	<b>2,764.46</b>	<b>-</b>	<b>3,04,700.91</b>

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Performing</b>				
Standard	2,37,445.97	2,328.53	-	2,39,774.50
<b>Non-Performing</b>				
Individually Impaired	-	-	-	-
<b>Total</b>	<b>2,37,445.97</b>	<b>2,328.53</b>	<b>-</b>	<b>2,39,774.50</b>

## (vi) Undrawn commitment - Gross carrying amount

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,37,445.97	2,328.53	-	2,39,774.50
New assets originated	2,06,501.64	444.97	-	2,06,946.61
Assets derecognised	(1,40,553.52)	(48.18)	-	(1,40,601.70)
Transfers to Stage 1	1.77	(1.77)	-	-
Transfers to Stage 2	(185.91)	185.91	-	-
Transfers to Stage 3	(1,273.50)	(145.00)	-	(1,418.50)
Amounts written off	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>3,01,936.45</b>	<b>2,764.46</b>	<b>-</b>	<b>3,04,700.91</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,85,747.00	813.59	-	1,86,560.59
New assets originated	1,88,021.92	2,121.61	-	1,90,143.53
Assets derecognised	(1,36,776.19)	(79.47)	-	(1,36,855.66)
Transfers to Stage 1	530.70	(530.70)	-	-
Transfers to Stage 2	(25.00)	25.00	-	-
Transfers to Stage 3	(52.46)	(21.49)	-	(73.95)
Amounts written off	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>2,37,445.97</b>	<b>2,328.53</b>	<b>-</b>	<b>2,39,774.50</b>

## B Investments

### (i) Investments

Particulars	Amortised Cost	Fair Value Through Profit & Loss	Total
<b>As at March 31, 2025</b>			
Government Securities	71,577.86	3,658.08	75,235.94
Non-Convertible Debenture	73,384.71	-	73,384.71
Other Securities	-	5,117.63	5,117.63
<b>Total Gross</b>	<b>1,44,962.57</b>	<b>8,775.71</b>	<b>1,53,738.28</b>
Less: Impairment loss allowance	(325.22)	-	(325.22)
<b>Total</b>	<b>1,44,637.35</b>	<b>8,775.71</b>	<b>1,53,413.06</b>
<b>As at March 31, 2024</b>			
Government Securities	57,851.42	4,063.22	61,914.64
Non-Convertible Debenture	87,919.73	-	87,919.73
Other Securities	-	5,348.59	5,348.59
<b>Total Gross</b>	<b>1,45,771.15</b>	<b>9,411.81</b>	<b>1,55,182.96</b>
Less: Impairment loss allowance	366.68	-	366.68
<b>Total</b>	<b>1,45,404.47</b>	<b>9,411.81</b>	<b>1,54,816.28</b>

### (ii) Credit quality of assets

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Performing</b>				
Standard	1,53,413.06	-	-	1,53,413.06
<b>Non-Performing</b>				
Individually Impaired	-	-	-	-
<b>Total</b>	<b>1,53,413.06</b>	<b>-</b>	<b>-</b>	<b>1,53,413.06</b>
Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Performing</b>				
Standard	1,54,816.28	-	-	1,54,816.28
<b>Non-Performing</b>				
Individually Impaired	-	-	-	-
<b>Total</b>	<b>1,54,816.28</b>	<b>-</b>	<b>-</b>	<b>1,54,816.28</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## (iii) Changes in Gross carrying amount

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,55,182.96	-	-	1,55,182.96
New assets originated	33,318.10	-	-	33,318.10
Assets repaid (excluding write offs)	(34,762.78)	-	-	(34,762.78)
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	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>1,53,738.27</b>	<b>-</b>	<b>-</b>	<b>1,53,738.27</b>

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	91,107.09	-	-	91,107.09
New assets originated	73,084.04	-	-	73,084.04
Assets repaid (excluding write offs)	(9,008.17)	-	-	(9,008.17)
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	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>1,55,182.96</b>	<b>-</b>	<b>-</b>	<b>1,55,182.96</b>

## (iv) Reconciliation of Expected Credit Loss balance (ECL)

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	366.68	-	-	366.68
New assets originated	50.84	-	-	50.84
Effect of change in estimate/ repayment	(92.30)	-	-	(92.30)
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	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	-	-	-	-
<b>ECL allowance - closing balance</b>	<b>325.22</b>	<b>-</b>	<b>-</b>	<b>325.22</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	174.50			174.50
New assets originated	242.76			242.76
Effect of change in estimate/ repayment	(50.58)			(50.58)
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	-			-
Changes to models and inputs used for ECL calculations	-			-
Amounts written off	-			-
<b>ECL allowance - closing balance</b>	<b>366.68</b>			<b>366.68</b>

## C) Trade Receivables

### (i) Trade Receivables

Particulars	March 31, 2025	March 31, 2024
Unsecured considered good	39.83	759.27
Less: Impairment loss allowance	-	-
<b>Total - Net</b>	<b>39.83</b>	<b>759.27</b>

### (ii) Credit quality of assets

Particulars	For the year ended March 31, 2025				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
<b>Performing</b>					
Standard	39.83	-	-	-	39.83
<b>Non-Performing</b>					
Individually Impaired	-	-	-	-	-
<b>Total</b>	<b>39.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39.83</b>

Particulars	For the year ended March 31, 2024				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
<b>Performing</b>					
Standard	759.27	-	-	-	759.27
<b>Non-Performing</b>					
Individually Impaired	-	-	-	-	-
<b>Total</b>	<b>759.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>759.27</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## (iii) Changes in Gross carrying amount

	For the year ended March 31, 2025				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Gross carrying amount opening balance	759.27	-	-	-	759.27
New assets originated (refer note 1 below)	39.83	-	-	-	39.83
Assets repaid (excluding write offs)	(759.27)	-	-	-	(759.27)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Amounts written off	-	-	-	-	-
New asset as per Simplified approach	-	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>39.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39.83</b>

	For the year ended March 31, 2024				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Gross carrying amount opening balance	13.88	-	-	-	13.88
New assets originated (refer note 1 below)	759.27	-	-	-	759.27
Assets repaid (excluding write offs)	(13.88)	-	-	-	(13.88)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Amounts written off	-	-	-	-	-
New asset as per Simplified approach	-	-	-	-	-
<b>Gross carrying amount closing balance</b>	<b>759.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>759.27</b>

Note 1: New assets originated represents fresh disbursal made during the year. Classification of new assets originated in stage1,2,3 is based on year end staging.

## (iv) Reconciliation of Expected Credit Loss balance

	For the year ended March 31, 2025				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
ECL allowance - opening balance	-	-	-	-	-
New assets originated	-	-	-	-	-
Effect of change in estimate/ repayment	-	-	-	-	-
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	-	-	-	-	-
Amounts written off	-	-	-	-	-
<b>ECL allowance - closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

	For the year ended March 31, 2024				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
ECL allowance - opening balance	-	-	-	-	-
New assets originated	-	-	-	-	-
Effect of change in estimate/ repayment	-	-	-	-	-
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	-	-	-	-	-
Amounts written off	-	-	-	-	-
<b>ECL allowance - closing balance</b>	-	-	-	-	-

## D) Collateral and other credit enhancements

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets

Type of Collateral and Credit Enhancement	As at March 31, 2025							
	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
a) Corporate Loans	8,347.03	-	31,626.72	8,659.47	(31,939.16)	40,286.19	31,939.16	3,327.43
b) Retail Loans	24,858.75	-	51,378.76	-	(26,520.01)	51,378.76	26,520.01	13,165.14
<b>Total</b>	<b>33,205.78</b>	<b>-</b>	<b>83,005.48</b>	<b>8,659.47</b>	<b>(58,459.17)</b>	<b>91,664.95</b>	<b>58,459.17</b>	<b>16,492.57</b>

Type of Collateral and Credit Enhancement	As at March 31, 2024							
	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
a) Corporate Loans	5,746.95	-	10,055.56	8,747.54	(13,056.15)	18,803.10	13,056.15	2,118.37
b) Retail Loans	8,726.53	-	15,207.51	-	(6,480.98)	15,207.51	6,480.98	4,814.54
<b>Total</b>	<b>14,473.48</b>	<b>-</b>	<b>25,263.07</b>	<b>8,747.54</b>	<b>(19,537.13)</b>	<b>34,010.61</b>	<b>19,537.13</b>	<b>6,932.91</b>



# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 31. 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, 2025						
	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	Total
<b>Financial assets</b>							
Receivables	-	39.83	39.83	-	-	39.83	39.83
Loans	-	36,75,276.37	36,75,276.37	-	-	36,75,276.37	36,75,276.37
Investments	8,775.72	1,44,637.34	1,53,413.06	1,06,778.39	-	46,634.67	1,53,413.06
Other financial assets	-	19,240.75	19,240.75	-	-	19,240.75	19,240.75
<b>Total</b>	<b>8,775.72</b>	<b>38,39,194.29</b>	<b>38,47,970.01</b>	<b>1,06,778.39</b>	<b>-</b>	<b>37,41,191.62</b>	<b>38,47,970.01</b>
<b>Financial liabilities</b>							
Payables	-	5,089.28	5,089.28	-	-	5,089.28	5,089.28
Debt securities	-	12,66,822.84	12,66,822.84	12,66,822.84	-	-	12,66,822.84
Borrowings (Other than debt securities)	-	17,97,170.66	17,97,170.66	-	-	17,97,170.66	17,97,170.66
Subordinated Liabilities	-	3,23,540.80	3,23,540.80	3,23,540.80	-	-	3,23,540.80
Lease Liabilities	-	1,441.27	1,441.27	-	-	1,441.27	1,441.27
Other financial liabilities	-	20,517.14	20,517.14	-	-	20,517.14	20,517.14
<b>Total</b>	<b>-</b>	<b>34,14,581.99</b>	<b>34,14,581.99</b>	<b>15,90,363.64</b>	<b>-</b>	<b>18,24,218.35</b>	<b>34,14,581.99</b>

Particulars	As at March 31, 2024						
	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	Total
<b>Financial assets</b>							
Receivables	-	759.27	759.27	-	-	759.27	759.27
Loans	-	30,35,677.49	30,35,677.49	-	-	30,35,677.49	30,35,677.49
Investments	9,411.81	1,45,404.47	1,54,816.28	1,05,125.46	-	49,690.82	1,54,816.28
Other financial assets	-	17,368.69	17,368.69	-	-	17,368.69	17,368.69
<b>Total</b>	<b>9,411.81</b>	<b>31,99,209.92</b>	<b>32,08,621.73</b>	<b>1,05,125.46</b>	<b>-</b>	<b>31,03,496.27</b>	<b>32,08,621.73</b>
<b>Financial liabilities</b>							
Payables	-	4,830.58	4,830.58	-	-	4,830.58	4,830.58
Debt securities	-	12,09,649.26	12,09,649.26	12,09,649.26	-	-	12,09,649.26
Borrowings (Other than debt securities)	-	13,40,752.19	13,40,752.19	-	7,726.27	13,33,025.92	13,40,752.19
Subordinated Liabilities	-	2,43,907.32	2,43,907.32	2,43,907.32	-	-	2,43,907.32
Lease Liabilities	-	2,132.58	2,132.58	-	-	2,132.58	2,132.58
Other financial liabilities	-	75,848.97	75,848.97	-	-	75,848.97	75,848.97
<b>Total</b>	<b>-</b>	<b>28,77,120.90</b>	<b>28,77,120.90</b>	<b>14,53,556.58</b>	<b>7,726.27</b>	<b>14,15,838.05</b>	<b>28,77,120.90</b>

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

# Notes

forming part of financial statement for the year ended March 31, 2025

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

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

## Valuation principles

Fair value 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., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

### Level 1:

Investments in Government securities and Debt securities, Held for Trading are measured based on their quoted prices.

### Level 2:

Fair value of debt securities, borrowings other than debt securities and subordinated liabilities have been estimated by discounting expected future cash flows discounting rate near to report date based on comparable rate/market observable data.

### Level 3:

Fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.

## 32. Maturity analysis of assets and liabilities

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	80,125.41	-	80,125.41	60,703.63	-	60,703.63
Receivables	39.83	-	39.83	759.27	-	759.27
Loans	10,68,906.15	26,06,370.22	36,75,276.37	8,74,660.54	21,61,016.95	30,35,677.49
Investments	76,433.16	76,979.90	1,53,413.06	58,099.81	96,716.47	1,54,816.28
Other financial assets	5,847.06	13,393.69	19,240.75	6,191.61	11,177.08	17,368.69
<b>Sub-total-Financial assets</b>	<b>12,31,351.61</b>	<b>26,96,743.81</b>	<b>39,28,095.42</b>	<b>10,00,414.86</b>	<b>22,68,910.49</b>	<b>32,69,325.36</b>
<b>Non-Financial Assets</b>						
Current Tax Assets (net)	-	3,441.52	3,441.52	-	5,018.65	5,018.65
Deferred Tax Assets (net)	-	14,394.61	14,394.61	-	10,265.21	10,265.21
Property, plant and equipment	-	1,158.57	1,158.57	-	813.28	813.28
Intangible assets under development	-	89.48	89.48	-	102.45	102.45
Other Intangible Assets	-	1,724.11	1,724.11	-	1,391.92	1,391.92
Right-of-use assets	-	1,349.96	1,349.96	-	2,113.36	2,113.36
Other non-financial assets	85.72	1,347.25	1,432.97	626.56	552.19	1,178.75
<b>Sub-total-Non-financial assets</b>	<b>85.72</b>	<b>23,505.50</b>	<b>23,591.22</b>	<b>626.56</b>	<b>20,257.06</b>	<b>20,883.62</b>
<b>Total - Assets</b>	<b>12,31,437.33</b>	<b>27,20,249.29</b>	<b>39,51,686.64</b>	<b>10,01,041.42</b>	<b>22,89,167.56</b>	<b>32,90,208.98</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
<b>Payables</b>						
a) total outstanding dues to micro and small enterprises	324.39	-	324.39	274.38	-	274.38
b) total outstanding dues of creditors other than micro and small enterprises	4,764.89	-	4,764.89	4,556.20	-	4,556.20
Debt securities	4,49,308.34	8,17,514.50	12,66,822.84	4,40,583.35	7,69,065.91	12,09,649.26
Borrowings (Other than debt securities)	4,76,061.10	13,21,109.56	17,97,170.66	4,05,557.11	9,35,195.08	13,40,752.19
Subordinated Liabilities	-	3,23,540.80	3,23,540.80	-	2,43,907.32	2,43,907.32
Lease Liabilities	-	1,441.27	1,441.27	842.58	1,290.00	2,132.58
Other financial liabilities	20,517.14	-	20,517.14	75,848.97	-	75,848.97
<b>Sub-total-Financial liabilities</b>	<b>9,50,975.86</b>	<b>24,63,606.13</b>	<b>34,14,581.99</b>	<b>9,27,662.59</b>	<b>19,49,458.31</b>	<b>28,77,120.90</b>
<b>Non-Financial liabilities</b>						
Current tax liabilities (net)	-	483.33	483.33	604.45	501.93	1,106.38
Provisions	4,395.24	-	4,395.24	3,713.90	-	3,713.90
Other non-financial liabilities	1,818.71	-	1,818.71	1,403.29	-	1,403.29
<b>Sub-total-Non-financial liabilities</b>	<b>6,213.95</b>	<b>483.33</b>	<b>6,697.28</b>	<b>5,721.64</b>	<b>501.93</b>	<b>6,223.57</b>
<b>Total Liabilities</b>	<b>9,57,189.81</b>	<b>24,64,089.45</b>	<b>34,21,279.27</b>	<b>9,33,384.23</b>	<b>19,49,960.24</b>	<b>28,83,344.47</b>

Note: The Company is having undrawn commitment bank lines as on reporting date which is amounting to ₹ 2,10,000 lakhs has not been considered in the above bucketing. (March 31, 2024: ₹ 2,05,000 lakhs).

**33** The Company is obligated under various capital contracts. Capital contracts are work/purchase orders of a capital nature, which have been committed. Estimated amounts of contracts remaining to be executed on intangible assets aggregated to ₹ 920.94 lakhs at March 31, 2025 (March 31, 2024: Gross – ₹ 1,165.66 lakhs).

**34** Various tax related legal proceedings are pending against the Company at various levels of appeal either with the tax authorities or in the courts. Where after considering all available information in the opinion of management a liability requires accrual, the Company accrues such liability. Where such proceedings are sufficiently advanced to enable management to assess that a liability exists and are subject to reasonable estimation, management records its best estimate of such liability. Where a reasonable range of potential outcomes is estimated, management records its best estimate, or in the absence of a basis for selecting a specific estimate within a range, management records a liability no less than the lower end of the estimated range. The contested tax demands are adjusted by the tax authorities against refunds due to the Company on favorable resolution of earlier year's appeals/completion of assessments or paid. The payment/adjustment does not prejudice the outcome of the appeals filed by the Company. The advance tax payments are recorded as advance tax payments.

At March 31, 2025, the Company has assessed its contingent tax liability at an aggregate amount of ₹ 26.40 lakhs pertaining to income tax demands by the Government of India's tax authorities for past years (March 31, 2024: ₹ 742.61 lakhs). Based on consultation with counsel and favorable decisions in the Company's own or other cases, the management believes that the tax authorities are not likely to be able to substantiate their tax assessments and accordingly, has not provided for these tax demands at March 31, 2025.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

The key disputed subject matter are detailed below:

- Shortfall in TDS Payment.
- Disallowance of club membership fees.

There are three cases against the Company which have not been acknowledged as debt, which is amounting to ₹ 218.11 lakhs

## 35 Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 - 'Earnings per share'.

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Basic</b>			
Profit after tax as per Statement of Profit and Loss	A	65,247.35	59,720.07
Weighted Average Number of Shares	B	65,07,51,116	60,16,63,414
Face value per share		10	10
Basic Earnings per share	A/B	10.03	9.93
<b>Diluted</b>			
Adjusted Profit after tax	C	65,247.35	59,720.07
Weighted Average Number of Shares	D	65,07,51,116	60,16,63,414
Face value per share		10	10
Diluted Earnings per share	C/D	10.03	9.93

## 36 Related Parties disclosure:

Disclosure pursuant to Ind AS 24 – "Related Party Disclosures":

List of Related Parties:-

### Holding Company

Axis Bank Limited ('ABL')

### Fellow subsidiary

Axis Capital Limited

Axis Trustee Services Limited

Axis Mutual Fund Trustee Limited

Axis Asset Management Company Limited

Axis Securities Limited

A.TREDS Ltd

Freecharge Payment Technologies Pvt Ltd.

Freecharge Business and Technology Services Pvt Ltd.

### Associate of holding company

Axis Bank UK Ltd.

Axis Max Life Insurance Company Ltd.

### Subsidiary of fellow subsidiary companies

Axis Capital USA LLC

Axis Pension Fund Management Limited

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## Key management personnel

Sai Giridhar (Managing Director & CEO) (effective January 01, 2025)  
Bipin Kumar Saraf (Managing Director & CEO) (up to December 31, 2024)  
Amitabh Chaudhry (Chairman)  
Deepak Maheshwari (Director)  
U. B. Pravin Rao (Director)  
K. Narasimha Murthy (Director)  
Pallavi Kanchan (Director)  
N. Rajashekaran (Director) (w.e.f. June 26, 2024)  
Puneet Sharma (Director) (w.e.f. June 26, 2024)  
Babu Rao Busi (Director)  
Biju Pillai (Wholetime Director) (up to September 06, 2024)  
Amith Iyer (Chief Financial Officer)  
Rajneesh Kumar (Company Secretary)

## Transactions with related parties

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
<b>Capital Receipts and Payments</b>					
Capital Infusion including Securities Premium	6,650.68 (30,086.99)	- (-)	- (-)	- (-)	6,650.68 (30,086.99)
Fixed Deposits	10,000.00 (10,000.00)	- (-)	- (-)	- (-)	10,000.00 (10,000.00)
Non-Convertible Debentures	49,500.00 (46,648.14)	- (-)	- (-)	- (-)	49,500.00 (46,648.14)
<b>Transactions Expense</b>					
Rent paid	237.28 (247.82)	- (-)	- (-)	- (-)	237.28 (247.82)
Car Parking Rent	0.35 (0.35)	- (-)	- (-)	- (-)	0.35 (0.35)
Bank charges	27.31 (18.46)	- (-)	- (-)	- (-)	27.31 (18.46)
Processing Fees	379.05 (-)	- (-)	- (-)	- (-)	379.05 -
Deputation Cost	17.40 (-)	- (-)	- (-)	- (-)	17.40 (-)
Other Reimbursement of Expenses	104.37 (-)	- (-)	- (-)	- (-)	104.37 (-)
NACH charges	67.55 (45.49)	- (-)	- (-)	- (-)	67.55 (45.49)
IPA commission charges paid	5.85 (5.00)	- (-)	- (-)	- (-)	5.85 (5.00)
Service charges other – IT Service fees	284.06 (155.20)	- (-)	- (-)	- (-)	284.06 (155.20)

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
NCD Issue Expenses	25.25	-	-	-	25.25
	(32.25)	(-)	(-)	(-)	(32.25)
Interest paid on borrowings	2,572.92	-	-	-	2,572.92
	(3,638.80)	(-)	(-)	(-)	(3,638.80)
Royalty Charges	615.12	-	-	-	615.12
	(460.00)	(-)	(-)	(-)	(460.00)
Interest paid on Non-Convertible Debentures	786.00	-	-	-	786.00
	(3,053.75)	(-)	(-)	(-)	(3,053.75)
ESOP cost	664.78	-	-	-	664.78
	(1,308.60)	(-)	(-)	(-)	(1,308.60)
Future service gratuity premium	75.98	-	-	-	75.98
	(-)	(-)	(-)	(-)	(-)
Treps Charges	3.00	-	-	-	3
	(3.09)	(-)	(-)	(-)	(3.09)
Demat Charges (ASL)	-	4.64	-	-	4.64
	(-)	(0.02)	(-)	(-)	(0.02)
Brokerage paid (ASL)	-	7.88	-	-	7.88
	(-)	(13.35)	(-)	(-)	(13.35)
Professional fees (ATSL)	-	32.47	-	-	32.47
	(-)	(8.58)	(-)	(-)	(8.58)
Reimbursement of expenses (ATSL)	-	0.15	-	-	0.15
	(-)	(-)	(-)	(-)	(-)
CP Issue Expenses ( ASL)	-	-	-	-	-
	(-)	(0.52)	(-)	(-)	(0.52)
DSA Commission( Free Charge)	-	-	-	-	-
	(-)	(0.98)	(-)	(-)	(0.98)
Remuneration	-	-	-	1,900.20	1,900.20
	(-)	(-)	(-)	(1,509.58)	(1,509.58)
Director Sitting Fees	-	-	-	191.00	191.00
	(-)	(-)	(-)	(188.00)	(188.00)
Director Commission	-	-	-	57.64	57.64
	(-)	(-)	(-)	(-)	(-)
<b>Income</b>					
Interest on Fixed Deposits	67.74	-	-	-	67.74
	(354.06)	(-)	(-)	(-)	(354.06)
Servicing Fees	2.23	-	-	-	2.23
	(-)	(-)	(-)	(-)	(-)
Processing Fees	71.69	-	-	-	71.69
	(-)	(-)	(-)	(-)	(-)
Advertisement Income( Axis Max Life Insurance)	-	-	256.52	-	256.52
	(-)	(-)	(131.12)	(-)	(131.12)
Insurance Income ( Axis Max Life Insurance)	-	-	1,352.58	-	1,352.58
	(-)	(-)	(-)	(-)	(-)

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
<b>Closing Balance/Outstanding Balances as on March 31, 2025</b>					
<b>Liability</b>					
Share Capital (ABL)	69,357.05	-	-	-	69,357.05
	(62,706.38)	(-)	(-)	(-)	(62,706.38)
OverDraft	3,468.93	-	-	-	3,468.93
	(-)	(-)	(-)	(-)	(-)
Term Loan	21,403.51	-	-	-	21,403.51
	(18,496.43)	(-)	(-)	(-)	(18,496.43)
Deputation Cost	1.50	-	-	-	1.50
	(-)	(-)	(-)	(-)	(-)
NCD Issue Expense	26.46	-	-	-	26.46
	(-)	(-)	(-)	(-)	(-)
Non-Convertible Debentures	49,500.00	-	-	-	49,500.00
	(12,000.00)	(-)	(-)	(-)	(12,000.00)
Royalty Charges Payable	152.00	-	-	-	152.00
	(120.00)	(-)	(-)	(-)	(120.00)
Director Commission	-	-	-	57.64	57.64
	(-)	(-)	(-)	(-)	(7,600)
Professional fees (ATSL)	-	13.51	-	-	13.51
	(-)	(0.81)	(-)	(-)	(0.81)
CP Issue Expenses (ASL)	-	-	-	-	-
	(-)	(0.55)	(-)	(-)	(0.55)
<b>Asset</b>					
Current Account Balance	27,381.67	-	-	-	27,381.67
	(18,496.43)	(-)	(-)	(-)	(18,496.43)
Servicing fees	0.22	-	-	-	0.22
	(-)	(-)	(-)	(-)	(-)
Interest on Fixed Deposits receivable	-	-	-	-	-
	(2.34)	(-)	(-)	(-)	(2.34)
Fixed Deposit with bank	-	-	-	-	-
	(10,000.00)	(-)	(-)	(-)	(10,000.00)
Staff Loan given (KMP)	-	-	-	104.84	104.84
	(-)	(-)	(-)	(112.53)	(112.53)

Notes:

1. The remuneration to the key managerial person does not include provisions towards bonus and gratuity and other benefits as they are determined on actuarial basis for the Company as a whole.
2. Figures in bracket pertain to previous year.
3. Transactions shown above are excluding Goods & Services Tax.
4. Above transactions are based on contractual cash flow basis.



# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 36a Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time - Loans to Senior Officers

Particulars	Sanctioned as at 31 March, 2025	Sanctioned as at 31 March, 2024
Loan to Senior officers	101.46	-

# Outstanding Balance As on date 96.40 lakh

## 36b Details of salary and other emoluments to KMPs of the Company

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits	757.79	780.42
Post employment benefits	65.70	43.97
Other long-term benefits	-	-
Termination benefits	-	-
Shared-based payments	1,076.70	685.19
<b>Total</b>	<b>1,900.20</b>	<b>1,509.58</b>

## 37 Employee Benefits

### a) Defined contribution plan (Provident fund)

Amount of ₹ in lakhs 808.16 (Previous Year ₹ 654.50) is recognised as expenses and included in Note 27 of “Employee Benefits expenses” in Statement of Profit and Loss.

### b) Defined benefit plan (Gratuity)

The Company provides for the gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payments to employees upon death while in the employment or on separation from employment after serving for the stipulated period mentioned under the Payment of Gratuity Act, 1972. The Company makes the contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its gratuity fund.

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

### 1) Amount recognized in employee cost:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	176.20	118.91
Interest cost on benefit obligation	64.48	45.58
Expected return on plan assets	(56.85)	(36.11)
Past service cost	-	-
Transferred from group Company	-	-
Net benefit expense/(income)	183.83	128.38

### 2) Amount recognized in Other Comprehensive Income (OCI):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net actuarial (gain)/loss recognized in the year	163.55	119.58
Return on Plan Assets, Excluding Interest Income	(1.89)	12.15
Net benefit (income)/expense for the year recognized in OCI	161.66	131.73

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## 3) Amount recognized in Balance Sheet:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Projected benefit obligation	(1,081.52)	(894.28)
Fair value of plan assets	928.26	788.45
Funded Status (Surplus/ (Deficit))	(153.26)	(105.83)
Plan assets/(liability)	(153.26)	(105.83)

## 4) Actual return on plan assets

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expected return on plan assets	56.85	36.11
Actuarial gains/(losses) on plan assets	1.89	(12.15)
Actual Return on plan assets	58.74	23.96

## 5) Reconciliation of balances of Defined Benefit Obligation:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening projected benefit obligation	894.28	610.17
Interest cost	64.48	45.58
Current service cost	176.20	118.91
Past Service Cost - Vested Benefit Incurred during the period	-	-
Liability Transferred In/ Acquisitions	-	34.61
Benefit Paid From the Fund	216.99	(34.57)
Actuarial (gains)/losses on obligation	163.55	119.58
Closing projected benefit obligation	1,081.52	894.28

## 6) Projected Benefits Payable in Future Years From the Date of Reporting:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1 <sup>st</sup> Following Year	19.84	17.14
2 <sup>nd</sup> Following Year	24.53	20.78
3 <sup>rd</sup> Following Year	28.09	24.52
4 <sup>th</sup> Following Year	48.62	54.26
5 <sup>th</sup> Following Year	124.07	45.55
Between 6 To 10 Years	262.75	411.48
10 Years and above	2,490.19	1,860.91

## 7) Reconciliation of balances of the fair value of plan assets are as follows:

Particulars	March 31, 2025	March 31, 2024
Opening fair value of plan assets	788.45	483.38
Expected return	56.85	36.11
Contributions by employer	298.05	315.66
Benefits paid	(216.99)	(34.56)
Actuarial gains/(losses)	1.89	(12.14)
Closing fair value of plan assets	928.25	788.45

# Notes

forming part of financial statement for the year ended March 31, 2025

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

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

### Gratuity

Particulars	March 31, 2025	March 31, 2024
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	March 31, 2025	March 31, 2024
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate	6.79%	7.21%
Expected rate of return on assets	6.79%	7.21%
<b>Employee turnover</b>		
For service 2 years and below	29.00%	29.00%
For service 3 years to 4 years	11.00%	11.00%
For service 5 years and above	2.00%	2.00%
Salary escalation rate	7.00%	7.00%

The estimates of future salary increases considered in actuarial valuation, takes into account 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	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021
Projected benefit obligation	1,081.52	894.28	610.17	368.00	267.80
Plan assets	928.25	788.45	483.38	340.31	218.21
(Surplus) /deficit	(153.26)	105.84	126.79	27.69	49.59
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

### Expected cash flow for the following year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expected payment contributions to the plan for next annual reporting period	400.91	282.03

The weighted average duration of defined benefit obligations as at March 31, 2025 is 12 years (Previous Year: 12 years).

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 9) Sensitivity Analysis

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Projected Benefit Obligation on Current Assumptions	1,081.52	894.28
Delta Effect of +1% Change in Rate of Discounting	(124.54)	(91.16)
Delta Effect of -1% Change in Rate of Discounting	148.88	107.44
Delta Effect of +1% Change in Rate of Salary Increase	122.44	86.28
Delta Effect of -1% Change in Rate of Salary Increase	(106.80)	(76.72)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.30)	2.87
Delta Effect of -1% Change in Rate of Employee Turnover	0.87	(4.16)

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.

- c) The Company does not have any leave encashment policy for its employees.

## 38 Provisions and Contingencies

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Provisions for impairment on Investment	(41.46)	192.18
Provision towards loan assets (Stage 3)	9,559.68	(898.23)
Provision made towards Income tax	22,472.20	21,994.68
Bad Debts Written off	15,271.80	7,832.53
Provision for Standard Assets (Stage 1 & Stage 2)	7,525.25	7,896.86

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 39 Leases:

### A) Amounts recognised in the Balance sheet

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gross carrying value	4,336.87	2,886.76
Addition	189.59	1,499.51
Deletion	-	(49.40)
Translation adjustments	-	-
<b>Gross carrying value</b>	<b>4,526.46</b>	<b>4,336.87</b>
<b>Accumulative depreciation</b>		
Opening Balance	2,333.20	1,301.96
Depreciation	912.56	1,031.24
Translation adjustments	-	-
<b>Closing Balance</b>	<b>3,245.76</b>	<b>2,333.20</b>
<b>Net carrying value</b>	<b>1,280.70</b>	<b>2,003.67</b>

### B) The following is the movement in lease liabilities during the year ended March 31, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Lease Liabilities	2,132.58	1,658.52
Additions/accrued	189.59	1,499.51
Interest on lease liabilities	140.76	160.89
Deletions	-	(52.00)
Payment towards Lease Liability (Principal & Interest)	(1,021.69)	(1,134.34)
<b>Closing Lease Liabilities</b>	<b>1,441.24</b>	<b>2,132.58</b>

### Amounts recognised in Statement of profit and Loss during the year ended March 31, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets	912.56	1,031.24
Interest expense on lease liabilities	140.76	160.89
<b>Total</b>	<b>1,053.32</b>	<b>1,192.13</b>

### Total cash outflow for leases:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total cash outflow for lease	1,021.69	1,134.34
<b>Total</b>	<b>1,021.69</b>	<b>1,134.34</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

**The table below provides details regarding the contractual maturities of lease liabilities as at March 31, on an undiscounted basis**

Tenure	For the year ended March 31, 2025	For the year ended March 31, 2024
Less than 1 year	539.59	846.92
1-3 years	763.04	925.85
3-5 years	138.63	359.81
More than 5 years	-	-
<b>Balance as at 31 March</b>	<b>1,441.26</b>	<b>2,132.58</b>

While measuring the lease liabilities, the Company discounted lease payments using its incremental borrowings rate at average rate of 8.19 % p.a. The weighted average rate applied ranges between 7.98% p.a. to 8.39% p.a.

**40** Basis the information available there is following with Struck off Companies during the year ended March 31, 2025

Name of Struck off Company	Nature of transaction with struck off company	Balance Outstanding March 31, 2025	Balance Outstanding March 31, 2024	Relationship with the struck off company
-	-	-	-	-

The above disclosure has been prepared basis the relevant information complied by the Company on best effort basis which has been relied upon by the auditors.

## 41 Analytical Ratios

Ratio	Numerator	Denominator	31 March, 2025	31 March, 2024	% Variance	Reason for Variance
Capital to risk-weighted assets ratio (CRAR)	8,09,626.56	38,73,232.99	20.90%	19.11%	9.38%	N.A
Tier I CRAR	5,63,664.05	38,73,232.99	14.55%	13.21%	10.17%	N.A
Tier II CRAR	2,45,962.51	38,73,232.99	6.35%	5.90%	7.63%	N.A
Debt Equity Ratio	33,87,534.29	5,30,407.37	6.39	6.87	-0.07	N.A
Liquidity Coverage Ratio			426.17%	402.79%	6.00%	N.A

## 42 Key Ratios for the year ended

Particulars	March 31, 2025	March 31, 2024
Return on Equity Ratio	13.92%	16.50%
Net Profit Ratio	15.91%	18.93%
Return on Capital Employed	1.83%	2.16%

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## 43 Revenue from contract with customers (Ind AS 115)

Particulars	March 31, 2025	March 31, 2024
<b>Type of Services</b>		
Cheque/NACH Bouncing Charges	339.95	198.87
Pre/Part payment Charges	1,809.65	393.10
Foreclosure Charges	4,622.79	2,994.08
Miscellaneous fees	-	-
Others	3,345.05	625.35
<b>Total</b>	<b>10,117.44</b>	<b>4,211.40</b>
<b>Geographical markets</b>		
India	10,117.44	4,211.40
Outside India	-	-
<b>Total</b>	<b>10,117.44</b>	<b>4,211.40</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	10,117.44	4,211.40
Services transferred over time	-	-
<b>Total</b>	<b>10,117.44</b>	<b>4,211.40</b>

## 44. Risk Management

### Risk Profile

The Company has operations within India. It is exposed to various kind of risks such as credit risk, liquidity risk, market risk, operational risk, business risk, etc. While risk is inherent to the Company's activities, it is managed through a comprehensive risk management framework that includes identification of risks and laying out of controls in the form of various risk limits to prudently monitor and manage different risks to ensure resilience. Risk management is critical to the Company's continuing profitability and sustainable growth.

### Risk Management Structure

The Board of Directors are responsible for the overall risk management approach, approving the risk management strategies & principles, and exercise of oversight on establishment, monitoring & integration of risk management framework within organization.

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 reviewing risk related decisions and monitoring risk levels.

The Risk 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 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.

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.



# Notes

forming part of financial statement for the year ended March 31, 2025

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

Managing liquidity positions is vital for the Company's effective operations. 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), inter-alia comprising of 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.

## **Risk Measurement and Reporting**

Monitoring and controlling risks is performed through compliance against the limits established by the Company at different levels. These limits reflect the business strategy of the Company, market environment in which the Company operates as well as the level of risk the Company is willing to accept, with additional emphasis on exposure to selected sectors/category of customers, 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 Company has exposure to a number of counterparties that 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 fulfil 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. Portfolio level reviews are also undertaken as part of risk management framework to effectively manage credit risk at a macro level.

## **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 EMI is overdue for more than 90 days 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 EMI is overdue for more than 90 days on its contractual payments shall be moved out from Stage 3 upon payment of all irregularities. 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.

# Notes

forming part of financial statement for the year ended March 31, 2025

(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.

## 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 increase in credit risk when the borrower exceeds 30 days past due on its contractual payments.

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 Expected Credit Loss (ECL) for loan assets at an individual client basis, based on the nature of the loan product. ECL for other assets and all Stage 3 assets is also calculated on an individual basis.

## Analysis of Risk Concentration

The Company's risk concentration is managed by client/counterparty limits. The maximum credit exposure to any client or counterparty was ₹29,890.814\* lakhs as at March 31, 2025 (March 31, 2024 ₹31,500.00 lakhs). Total exposure to 20 largest customers constituted 10.01% of the Company's total credit exposure as at March 31, 2025.

\*Exposure include interest as well.

## Credit Risk Exposure Analysis at Amortized Cost

(₹ In lakhs)

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Corporate (A)	18,31,014.37	17,037.74	8,347.04	18,56,399.05
Retail (B)	18,21,630.19	26,306.94	24,858.74	18,72,795.97
<b>Total Loans (A+B)</b>	<b>36,52,644.56</b>	<b>43,344.68</b>	<b>33,205.78</b>	<b>37,29,195.02</b>
<b>Investments</b>	<b>1,53,738.28</b>	<b>-</b>	<b>-</b>	<b>1,53,738.28</b>

(₹ In lakhs)

Particulars	As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Wholesale (A)	16,07,256.35	21,028.14	5,754.12	16,34,038.61
Retail (B)	14,19,991.86	9,761.38	8,719.36	14,38,472.60
<b>Total Loans (A+B)</b>	<b>30,27,248.21</b>	<b>30,789.52</b>	<b>14,473.48</b>	<b>30,72,511.21</b>
<b>Investments</b>	<b>1,55,182.96</b>	<b>-</b>	<b>-</b>	<b>1,55,182.96</b>

# Notes

forming part of financial statement for the year ended March 31, 2025  
(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.

Collateral obtained include debentures, bonds, debt 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 through various measures like limits on cumulative mismatches, stock ratios etc. 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.

Company manages its liquidity risk in line with its Board approved policies which contain conditions laid down by the regulator and ensures availability of adequate liquidity cushion in case of stressed market environment.

## Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers repay earlier than contracted. The Company has an option to levy a pre-payment penalty in such cases, wherever sanction terms provide for the same.

## 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 and equity prices. The Company held Government securities as part of its Trading Portfolio during the year. The trading position is monitored regularly by the Risk department as part of Interest Rate Risk Management and adherence to stop loss limits is ensured.

## Interest Rate Risk

The Company has set up an Earnings at Risk limit for managing the Interest Rate Risk in the lending book which is monitored by the Asset Liability Management Committee (ALCO)

The Gap i.e. the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket upto 1 year is used as a measure of interest rate sensitivity. A Gap Report is generated by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. A positive Gap indicates that RSAs are more than RSLs whereas negative Gap indicates that RSLs are more than RSAs. Limits have been defined in Asset Liability Management policy to monitor the position of gaps in each bucket.

The following table indicates the sensitivity of Net Interest Income to interest rate shocks as per Earnings at Risk model that considers AFL's Rate sensitive assets and Rate sensitive liabilities up to 1 year time buckets:

Increase/Decrease in basis points	Sensitivity of Net Interest Income 2024-25	Sensitivity of Net Interest Income 2023-24
+/- 20 bps	- ₹2118 lakhs/+ ₹2118 lakhs	- ₹1926 lakhs/+ ₹1926 lakhs
+/- 30 bps	- ₹3178 lakhs/+ ₹3178 lakhs	- ₹2889 lakhs/+ ₹2889 lakhs

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment. The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

## Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, systems, people or external events. Operational risk can lead to financial and reputational loss or 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 defined process and framework across all units, 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.

**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 credit loss basis loss given default.

## 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.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

**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

**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.

**Stage 3:** For loans considered credit impaired, life time ECL is recognized.

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

## 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, 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 every 3 years as per internal guidelines. 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 or where the chances of recovery are low. The Company has written-off loans to the extent of ₹ 4,612.28 lakhs during the year (Previous Year: 3,047.55).

## Disclosure on Liquidity Risk 31 March, 2025

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at March 31, 2025 is as follows:

### i. Funding Concentration based on Significant Counterparty:

Number of Significant Counterparties	Amount (₹ lakhs)	% of Total Deposits	% of Total Deposits
17	22,81,364.61	N.A.	66.67%

Notes:

- Significant Counterparty - a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

**ii. Top 20 Large Deposits (amount in ₹ lakhs and % of Total Deposits):** Not Applicable

**iii. Top 10 Borrowings:**

Amount (₹ lakhs)	% of Total Borrowings
18,95,850	55.97%

**iv. Funding Concentration based on Significant Instrument/Product:**

Sr. No.	Name of the Instrument/Product	Amount (₹ lakhs)	% of Total Liabilities
1	Term Loans	16,24,438	47.47%
2	ECB	1,72,733	5.05%
3	Working Capital/ Line of Credit/ Overdraft	-	0.0%
4	CP	1,95,599	5.72%
5	NCD	13,94,764	40.76%
		<b>33,87,534</b>	<b>98.99%</b>

Notes:

- Significant Instrument/Product – a single instrument/product or group of similar instruments/products which in aggregate amount to more than 1% of the Company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

**v. Stock Ratios:**

Sr. No.	Stock Ratios	%
A)	I) Commercial Papers as a % of Total Public Funds	5.77%
	II) Commercial Papers as a % of Total Liabilities	5.72%
	III) Commercial Papers as a % of Total Assets	4.95%
B)	I) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	NIL
	II) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	NIL
	III) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	NIL
C)	I) Other Short-Term Liabilities as a % of Total Public Funds	22.87%
	II) Other Short-Term Liabilities as a % of Total Liabilities	22.64%
	III) Other Short-Term Liabilities as a % of Total Assets	19.61%

Notes:

- Total Public Funds to be computed as Gross Total Debt (Outstanding Amounts of TLs, ECB, WC/LOC/OD facilities, CPs and NCDs).
- Other Short-term Liabilities – Total Liabilities due within a year less CPs and NCDs (Original maturity of less than one year) repayment due within a year.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus. Total Assets taken as the Balance Sheet figure

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

## vi. Institutional set-up for Liquidity Risk Management:

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the

Board, is responsible for evaluating the overall risks faced by AFL including liquidity risk. The meetings of RMC are held at quarterly intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its quarterly meetings for its noting.

## Disclosure on Liquidity Risk March 31, 2024

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at March 31, 2024 is as follows:

## vii. Funding Concentration based on Significant Counterparty:

Number of Significant Counterparties	Amount (₹ lakhs)	% of Total Deposits	% of Total Deposits
20	19,24,102.89	N.A.	66.73%

Notes:

- Significant Counterparty - a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.
- Outstanding Amount have been considered in case of TLs, WC, LOC and OD facilities; Face Values has been considered in case of CPs and NCDs

## viii. Top 20 Large Deposits (amount in ₹ lakhs and % of Total Deposits): Not Applicable

## ix. Top 10 Borrowings:

Amount (₹ lakhs)	% of Total Borrowings
15,03,662.18	53.81%

Note:

- Outstanding Amount have been considered in case of TLs, WC, LOC and OD facilities; Face Values has been considered in case of CPs and NCDs

## x. Funding Concentration based on Significant Instrument/Product:

Sr. No.	Name of the Instrument/Product	Amount (₹ lakhs)	% of Total Liabilities
1	Term Loans	13,40,752.19	46.5%
2	WC/LOC/OD	-	0.0%
3	CP	1,90,851.00	6.6%
4	NCD	12,62,705.58	43.8%
		27,94,308.78	96.9%



# Notes

forming part of financial statement for the year ended March 31, 2025

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

Notes:

- Significant Instrument/Product – a single instrument/product or group of similar instruments/products which in aggregate amount to more than 1% of the Company's Total Liabilities.
- Outstanding Amount have been considered in case of TLs, WC, LOC and OD facilities; Face Values has been considered in case of CPs and NCDs.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

## xi. Stock Ratios:

Sr. No.	Stock Ratios	%
A)	I) Commercial Papers as a % of Total Public Funds	6.83%
	II) Commercial Papers as a % of Total Liabilities	6.62%
	III) Commercial Papers as a % of Total Assets	5.80%
B)	I) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	NIL
	II) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	NIL
	III) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	NIL
C)	I) Other Short-Term Liabilities as a % of Total Public Funds	26.83%
	II) Other Short-Term Liabilities as a % of Total Liabilities	26.00%
	III) Other Short-Term Liabilities as a % of Total Assets	22.78%

Notes:

- Total Public Funds to be computed as Gross Total Debt (Outstanding Amounts of TLs, WC, LOC and OD facilities and Face Values of CPs and NCDs).
- Other Short-term Liabilities – Total Liabilities due within a year less CPs and NCDs (Original maturity of less than one year) repayment due within a year.
- Outstanding Amount have been considered in case of TLs, WC, LOC and OD facilities; Face Values has been considered in case of CPs and NCDs.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus. Total Assets taken as the Balance Sheet figure.

## xii. Institutional set-up for Liquidity Risk Management:

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the

Board, is responsible for evaluating the overall risks faced by AFL including liquidity risk. The meetings of RMC are held at quarterly intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its quarterly meetings for its noting.

## Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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

[illegible]

- 1) The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the ALCO committee and relied upon by the auditors.

2) The Company is having undrawn commitment bank lines as on reporting date which is amounting to ₹ 2,10,000 lakhs has not been considered in the above bucketing:

## Financial year 2023-24

[illegible]

- 1) The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the ALCO committee and relied upon by the auditors.

2) The Company is having undrawn commitment bank lines as on reporting date which is amounting to ₹ 2,05,00,000 lakhs has not been considered in the above bucketing:

# Notes

forming part of financial statement for the year ended March 31, 2025

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

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

Type of borrower	FY 2024-25				
	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous year March 31, 2024 (A)*	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this year March 31, 2025
Personal Loans	289.89	-	-	13.56	279.22
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	676.04	-	-	59.33	619.36
<b>Total</b>	<b>965.93</b>	<b>-</b>	<b>-</b>	<b>72.89</b>	<b>898.58</b>

\*Amount outstanding as on March 31, 2024.

Type of borrower	FY 2023-24				
	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous year March 31, 2023 (A)*	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this year March 31, 2024
Personal Loans	306.27	-	-	16.38	289.89
Corporate persons	608.90	603.24	-	240.23	-
Of which, MSMEs	-	-	-	-	-
Others	701.89	-	-	25.85	676.04
<b>Total</b>	<b>1,617.06</b>	<b>603.24</b>	<b>-</b>	<b>282.47</b>	<b>965.93</b>

\*Amount outstanding as on March 31, 2023.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

**47** Disclosure pursuant to RBI Circular - RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

(A) Particulars	March 31, 2025			March 31, 2024		
	To Banks	To Others	Total*	To Banks	To Others	Total
Number of loans sold	407	295	702	5,564	1,555	7,119
Aggregate amount (₹ in lakhs)	40,449.57	26,519.22	66,968.79	1,15,893.07	1,10,952.25	2,26,845.32
Sale consideration (₹ in lakhs)	40,449.57	26,519.22	66,968.79	1,15,893.07	1,10,952.25	2,26,845.32
Number of transactions	7	6	13	9	10	19
Weighted average maturity (remaining)	145.33	102.67	128.44	166.38	185.70	175.83
Weighted average holding period (after origination)	11.60	11.17	11.43	13.42	12.37	12.90
Retention of beneficial economic interest (average)	18%	43%	30%	10%	17%	12%
Coverage of tangible security coverage	100% to 125%	100% to 200%	100% to 200%	100% to 167%	100% to 412%	100% to 412%
Rating wise distribution of rated loans	A, BB, A-	A-, BBB, BBB+	A, A-, BB, BBB, BBB+	N.A	N.A	N.A
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NIL	NIL	NIL	NIL	NIL	NIL
Number of transferred loans replaced	N.A.	N.A.	N.A.	N.A	N.A	N.A

\* Excluding deal under co-lending arrangement of ₹ 3,404.90 (lakhs).

- The Company has not transferred any non-performing assets (NPAs).
- The Company has not transferred any Special Mention Account (SMA) and loan in default.
- The Company has not acquired any loans in default or not in default through assignment.
- The Company has not acquired any stressed loan.

## (B) Pool acquired (not in default) through assignment during year ended March 31, 2025

Particulars	March 31, 2025	March 31, 2024
Number of loans acquired	5,872	14,790
Aggregate amount (₹ in lakhs)	21,728.30	40,443.34
Sale consideration (₹ in lakhs)	21,728.30	40,443.34
Number of transactions	6	11.00
Weighted average maturity in months (remaining)	87.37	72.33
Weighted average holding period in months (after origination)	12.63	13.61
Retention of beneficial economic interest (average)	10%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	N.A.	N.A.
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NIL	NIL
Number of transferred loans replaced	N.A.	N.A.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

- 48** 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 an outstanding balance of ₹324.39 lakhs due to such parties at year end. (March 31, 2024 ₹ 274.38 lakhs).

## Details of dues to Micro, Small and Medium Enterprises

As per the confirmation received from the parties following is the status of MSME parties.

Particulars	31 March 2025	31 March 2024
The Principal amount remaining unpaid at the end of the year (Refer note 1 below)	324.39	274.38
The Interest Amount remaining unpaid at the end of the year	-	-
Interest paid along with amount of payment made to the supplier beyond the appointed day	-	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day	-	-
Amount of interest accrued and remaining unpaid	-	-
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
	<b>324.39</b>	<b>274.38</b>

Note: 1) Includes unbilled amount of ₹ 324.39 lakhs (March 31, 2024: ₹ 274.38 lakhs).

## 49 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 norms on 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.
- Aggregate risk weighted assets:

Under RBI guidelines, the degree of credit risk expressed as percentage weightage have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence the value of each of the on-balance sheet assets and off-balance sheet assets required to be multiplied by the relevant risk weight to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio."

# Notes

forming part of financial statement for the year ended March 31, 2025

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

6. The Company's capital adequacy ratio, calculated in accordance with the Reserve Bank of India guidelines and disclosed using Ind-AS terminology, is as follows:

## Capital to Risk-Asset Ratio (CRAR)

Particulars	As at March 31, 2025	As at March 31, 2024
CRAR- Tier I Capital	5,63,664.05	4,26,674.00
CRAR- Tier II Capital	2,45,962.51	1,90,438.68
Total Capital	8,09,626.56	6,17,112.68
CRAR (%)	20.90%	19.11%
CRAR- Tier I Capital (%)	14.55%	13.21%
CRAR- Tier II Capital (%)	6.35%	5.90%
Amount of subordinated debt raised as Tier-II Capital	60,000.00	82,500.00
Percentage of the amount of PDI of the amount of its Tier I Capital	14.96%	14.85%
Amount raised by issue of Perpetual Debt Instruments	15,000.00	6,500.00

## 50 Exposure\* to Real Estate Sector

Particulars	As at March 31, 2025	As at March 31, 2024
i) Direct exposure		
a) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	9,51,888.94	9,22,795.68
b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	9,61,150.81	8,55,950.37
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>19,13,039.75</b>	<b>17,78,746.05</b>

\* As per RBI Master Circular DBR.No.Dir.BC.12/13.03.00/2015-16 read with circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, 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.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 51 Exposure\* to Capital Market

Particulars	As at March 31, 2025	As at March 31, 2024
i) 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	5,117.63	4,862.00
ii) 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	-	3,775.00
iii) 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	-	-
iv) 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	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) 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	-	-
vii) Bridge loans to companies against expected equity flows/issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
<b>Total Exposure to Capital Market</b>	<b>5,117.63</b>	<b>8,637.00</b>

\* 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.

**52** During the year ended March 31, 2025, management has detected and reported certain accounts as frauds amounting to ₹ 221.86 lakhs.

Certain accounts with balances of ₹ 10.83 lakhs have been written off based on the management's judgement of recoverability.

The balance amount of ₹ 211.03 lakhs have been provided for according to the policy of the Company.

**53** There has not been any limit exceeded for single borrower limit and group borrower limit as prescribed by the RBI based on the latest audited net owned funds.

**54** There are no advances/projects financed by the Company wherein intangible security such as rights, licenses, authorizations etc. are charged as collateral as at March 31, 2025 & March 31, 2024.

**55** There are no registrations obtained from other financial sector regulator (other than RBI) by the Company in current year. During the previous year, the Company has received a Certificate of Registration from IRDAI to act as Corporate Agent (Composite) (registration code – CA0903) dated February 5, 2024.

**56** There have not been any penalties imposed by RBI and other regulators on the Company in current year and previous year.



# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

**57** India Ratings and Research Private Limited, Brickwork Ratings, CRISIL Limited and CARE Ratings have accredited the following ratings to the Company for the various facilities availed by the Company:

## For the year ended March 31, 2025

FACILITY	CRISIL	CARE Ratings	INDIA RATINGS	Brickwork Ratings	Amount (₹ in crores)
Non-Convertible Debenture	CRISIL AAA/ STABLE	CARE AAA/STABLE	IND AAA/Stable	NA	CRISIL - 17606.40 CARE - 23,000 INDIA RATING - 17,385
Principal protected Market linked Debentures	NA	CARE AAA/STABLE	IND AAA/Stable	NA	India Rating - 30 CARE - 1,500
Subordinated Debt	CRISIL AAA/ STABLE	CARE AAA/STABLE	IND AAA/Stable	NA	CRISIL - 3,500 CARE-3,500 INDIA RATING - 3,470
Perpetual Debt	CRISIL AAA/ STABLE	CARE AAA/STABLE	NA	BWR AAA/ Stable	CRISIL - 1,200 CARE-2,000 BRICKWORK RATING - 300
Long-Term Bank Loan	NA	NA	IND AAA/STABLE	NA	India Rating 33,000
Short-Term Bank Loan	NA	NA	IND A1+	NA	India Rating 2,000
Bank Lines Long-Term/Short-Term	NA	CARE AAA/ STABLE/ CARE A1+	NA	NA	CARE- 15,000
Commercial paper	CRISIL A1+	NA	IND A1+	NA	CRISIL - 6,000 INDIA RATING - 6,000

## For the year ended March 31, 2024

FACILITY	CRISIL	INDIA RATINGS	Brickwork Ratings	CARE RATINGS	Amount (₹ in crore)
Non-Convertible Debenture	CRISIL AAA/ STABLE	IND AAA/STABLE	NA	CARE AAA/STABLE	CRISIL - 18206.00 CARE - 23,000 INDIA RATING - 18,000
Principal protected Market linked Debentures	NA	IND AAA/STABLE	NA	CARE AAA/STABLE	India Rating - 500 CARE - 1,500
Subordinated Debt	CRISIL AAA/ STABLE	IND AAA/STABLE	NA	CARE AAA/STABLE	CRISIL - 3,500 CARE-3,500 INDIA RATING - 1,500
Perpetual Debt	CRISIL AAA/ STABLE	NA	BWR AAA/STABLE	CARE AAA/STABLE	CRISIL - 1,200 CARE-2,000 BRICKWORK RATING - 300
Long-Term Bank Loan	NA	IND AAA/STABLE	NA	NA	India Rating 25,000
Short-Term Bank Loan	NA	IND A1+	NA	NA	India Rating 2,000
Bank Lines Long-Term/Short-Term	NA	NA	NA	CARE AAA/ STABLE/ CARE A1+	CARE- 10,000
Commercial paper	CRISIL A1+	IND A1+	NA	NA	CRISIL - 6,000 INDIA RATING - 6,000

# Notes

forming part of financial statement for the year ended March 31, 2025

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

**58** 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.

**59** There has not been any financing of parent Company products by the Company during the current year and previous year.

**60** There have been no drawn down reserves during the current year and previous year.

## 61 Concentration of Advances\*

Particulars	As at March 31, 2025	As at March 31, 2024
Total Advances to Twenty Largest Borrowers	3,80,640.32	4,04,306.42
Percentage of Advances to Twenty Largest Borrowers to Total Advances	10.21%	13.16%

\* Advances include borrower contractual outstanding balances.

## 62 Concentration of Exposures\*

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to Twenty Largest Borrowers/customers	4,03,833.50	4,24,798.07
Percentage of Exposures to Twenty Largest Borrowers/Customers to Total Exposure of Axis Finance on borrowers/customers	10.01%	12.82%

\* 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.

## 63 Concentration of Non-Performing Assets\* (NPAs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four Non-Performing Assets	6,332.63	4,649.52

\* Assets under Stage 3 are considered as NPAs

## 64 Sector-wise Non-Performing Assets (NPAs)

Sectors	% of NPAs to Total Advances in that sector	% of NPAs to Total Advances in that sector
	For the year ended March 31, 2025	For the year ended March 31, 2024
Agriculture & allied activities	-	-
MSME	0.56%	-
Corporate borrowers	0.43%	0.35%
Services	-	-
Unsecured personal loans	1.56%	0.70%
Auto loans	-	-
Other personal loans	1.25%	0.57%

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 65 Sectoral exposure

Sectors	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>	6,972.14					
<b>2. Industry</b>						
i. Large	4,51,221.14	-	-	4,06,593.98	-	-
Others	1,05,749.38	2,144.46	-	68,697.90	-	-
<b>Total of Industry</b> (i+...+Others)	<b>5,56,970.52</b>	<b>2,144.46</b>	<b>0.39%</b>	<b>4,75,291.88</b>	<b>-</b>	<b>-</b>
<b>3. Services</b>						
i. Other Services	3,15,499.59	-	-	4,47,589.66	195.21	-
ii. Professional Services	1,89,994.36	2,905.18	-	65,241.67	1,940.81	-
iii. Commercial Real Estate	9,61,150.81	3,472.42	-	7,19,864.91	3,813.30	-
iv. NBFC's	66,309.14	-	-	84,985.24	-	-
Others	-	-	-	96,686.02	-	-
<b>Total of Services</b> (i+ii+...+Others)	<b>15,32,953.90</b>	<b>6,377.59</b>	<b>0.42%</b>	<b>14,14,367.50</b>	<b>5,949.32</b>	<b>0.42%</b>
<b>4. Personal Loans</b>						
Others	-	-	-	-	-	-
<b>Total of Personal Loans</b> (i+ii+...+Others)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Others, if any (please specify)</b>						
i. Housing Loans (incl. priority sector Housing)	2,19,463.02	3,837.74	-	1,98,288.16	1,984.76	-
ii. Other Retail loans	16,22,810.29	20,805.62	-	11,80,647.11	6,539.41	-
iii. Other Non-food Credit	94,375.64	40.39	-	2,015.29	-	-
Others	350.40	-	-	36,760.97	-	-
<b>Total of Others, if any (please specify)</b>	<b>19,36,999.37</b>	<b>24,683.74</b>	<b>1.27%</b>	<b>14,17,711.53</b>	<b>8,524.17</b>	<b>0.60%</b>
	<b>40,33,895.93</b>	<b>33,205.79</b>	<b>0.82%</b>	<b>33,07,370.91</b>	<b>14,473.49</b>	<b>0.44%</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 66 Intra-group exposures

Particulars	As at March 31, 2025	As at March 31, 2024
Total amount of intra-group exposures	0.00%	0.00%
Total amount of top 20 intra-group exposures	0.00%	0.00%
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.00%	0.00%

## 67 Movement of Non-Performing Assets (NPAs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) Net NPAs to Net Advances (%)</b>	0.44%	0.24%
(Net Advances include investment of amount ₹ in lakhs (March 31, 2025: 87,919.73 & March 31, 2024: 87,919.73)		
(Only Stage 3 ECL is considered while computing Net Advances)		
<b>(ii) Movement of NPAs (Gross)</b>		
Opening balance	14,473.50	13,689.70
Additions during the year	40,918.85	8,950.45
Reductions during the year	(22,186.54)	(8,166.67)
<b>Closing balance</b>	<b>33,205.80</b>	<b>14,473.48</b>
<b>(iii) Movement of NPAs (Net)</b>		
Opening balance	7,540.60	5,858.57
Additions during the year	12,413.33	4,347.32
Reductions during the year	(3,240.70)	(2,665.29)
<b>Closing balance</b>	<b>16,713.23</b>	<b>7,540.60</b>
<b>(iv) Movement of Provision on NPAs (excluding provision on Standard Assets)</b>		
Opening balance	6,932.90	7,831.13
Additions during the year	28,505.52	4,603.16
Reductions during the year	(18,945.84)	(5,501.38)
<b>Closing balance</b>	<b>16,492.57</b>	<b>6,932.91</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 68 Disclosures pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time, Provisions required under Income Recognition, Asset Classification and Provisioning and impairment allowances made under Ind AS 109

In terms of requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2025 and accordingly, no amount is required to be transferred to impairment reserve.

Asset Classification as per RBI Norms	FY 2024-25					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	36,52,644.49	33,308.77	36,19,335.71	14,528.37	18,780.40
Standard	Stage 2	43,344.73	4,117.30	39,227.43	168.81	3,948.49
<b>Sub-total</b>		<b>36,95,989.21</b>	<b>37,426.07</b>	<b>36,58,563.14</b>	<b>14,697.19</b>	<b>22,728.88</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	25,540.28	13,143.30	12,396.98	2,535.04	10,608.26
Doubtful - 1	Stage 3	3,622.30	915.93	2,706.37	757.17	158.76
Doubtful - 2	Stage 3	2,579.38	971.96	1,607.42	769.25	202.71
Doubtful - 3	Stage 3	1,212.39	1,212.39	-	606.21	606.18
<b>Sub-total for doubtful</b>		<b>7,414.05</b>	<b>3,100.27</b>	<b>4,313.78</b>	<b>2,132.64</b>	<b>967.64</b>
Loss	Stage 3	251.47	249.00	2.47	249.00	-
<b>Sub-total for NPA</b>		<b>33,205.78</b>	<b>16,492.57</b>	<b>16,713.22</b>	<b>4,916.67</b>	<b>11,575.89</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Stage 1	36,52,644.49	33,308.77	36,19,335.71	14,528.37	18,780.40
	Stage 2	43,344.73	4,117.30	39,227.43	168.81	3,948.49
	Stage 3	33,205.80	16,492.57	16,713.23	4,916.67	11,575.90
<b>Total</b>		<b>37,29,195.02</b>	<b>53,918.63</b>	<b>36,75,276.37</b>	<b>19,613.86</b>	<b>34,304.79</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Asset Classification as per RBI Norms	FY 2023-24					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	30,27,248.21	27,527.76	29,99,720.45	12,108.99	15,418.77
Standard	Stage 2	30,789.52	2,373.05	28,416.47	123.16	2,249.89
<b>Sub-total</b>		<b>30,58,037.73</b>	<b>29,900.81</b>	<b>30,28,136.92</b>	<b>12,232.15</b>	<b>17,668.66</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	9,329.79	4,721.55	4,608.24	932.98	3,788.57
Doubtful - 1	Stage 3	2,314.00	623.47	1,690.53	462.80	160.67
Doubtful - 2	Stage 3	2,013.12	1,158.89	854.23	603.94	554.95
Doubtful - 3	Stage 3	734.59	389.64	344.95	367.30	22.34
<b>Sub-total for doubtful</b>		<b>5,061.71</b>	<b>2,172.00</b>	<b>2,889.71</b>	<b>1,434.04</b>	<b>737.96</b>
Loss	Stage 3	81.98	39.36	42.62	81.98	(42.62)
<b>Sub-total for NPA</b>		<b>14,473.48</b>	<b>6,932.91</b>	<b>7,540.57</b>	<b>2,449.00</b>	<b>4,483.91</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Stage 1	30,27,248.21	27,527.76	29,99,720.45	12,108.99	15,418.77
	Stage 2	30,789.52	2,373.05	28,416.47	123.16	2,249.89
	Stage 3	14,473.48	6,932.91	7,540.57	2,449.01	4,483.91
<b>Total</b>		<b>30,72,511.21</b>	<b>36,833.72</b>	<b>30,35,677.49</b>	<b>14,681.16</b>	<b>22,152.57</b>

\*While calculating ECL, the Credit conversion factor on undrawn commitment has been considered as a part of Exposure at Default.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 69 Derivative financial instruments

Particulars	Notional USD Million	Notional INR (In lakhs)	Fair Value Asset	Fair Value Liability
Part1 Currency Derivatives: Cross Currency Swaps	200	1,71,000.00	946.00	2,360.00
<b>Total Derivative Financial Instrument</b>	<b>200</b>	<b>1,71,000.00</b>	<b>946.00</b>	<b>2,360.00</b>
Part 2 Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
Fair Value Hedge	Nil	Nil	Nil	Nil
Cash flow Hedge	200	1,71,000.00	946.00	2,360.00
Unhedged Derivatives	Nil	Nil	Nil	Nil
<b>Total</b>	<b>200</b>	<b>1,71,000.00</b>	<b>946.00</b>	<b>2,360.00</b>

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

### Market Risk:

#### i) Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arise majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

### Derivatives

#### Qualitative Disclosures

- The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.



# Notes

forming part of financial statement for the year ended March 31, 2025

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

- ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/ Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and disable trading capacity and capability to enter into transactions in any markets around the world.
- iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Sr. No.	Particulars	Mar-25 Currency Derivatives*
1)	Derivatives (Notional Principal Amount)	
	For Hedging	1,70,950.00
2)	Marked to Market Positions	
	(a) Asset [+] Estimated gain	946.00
	(b) Liability [-] Estimated loss	2,360.00
3)	Credit Exposure	1,70,950.00
4)	Unhedged exposures	-

\*Cross currency interest rate swap.

## Disclosure of effects of hedge accounting on financial position:

Particulars	Nominal Value (₹ crore)	Carrying Amount of Hedging Instrument (₹ crore)	Change in Fair Value of Hedging Instrument	Change in Value of Hedged Item Used for Recognising Hedge Effectiveness	Line Item in Balance Sheet
Foreign exchange forward contracts (Cross currency interest rate swaps)	1,70,950.00	(1,415)	(1,415)	(504)	Borrowings

## Disclosure of effects of hedge accounting on financial performance:

Type Of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in P&L	Amount reclassified from cash flow hedge reserve to P&L	Line item affected in P&L because of reclassification
Foreign exchange risk and interest rate risk	1,415.00	0	0	Finance Cost

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 70. Liquidity Coverage Ratio (FY 2024-25)

Reserve Bank of India (RBI) had introduced Liquidity Coverage Ratio (LCR) (effective from December 01, 2020) as part of Liquidity Risk Management Framework (LRMF) to ensure that a NBFC has adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows over the next 30 calendar days. As on March 31, 2025, the applicable minimum LCR required to be maintained by the Company is 100.00%.

The Company's liquidity strategy is managed by the Asset Liability Management Committee (ALCO) which is an Executive Level Committee. Meetings of the ALCO are held on a monthly basis and minutes of the same are placed before the Risk Management Committee of the Board for noting. The Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, along with Chief Risk Officer being the permanent invitee, oversees the liquidity risk management. The minutes of RMC are placed before the Board of Directors for noting and discussion.

During the three months ended March 31, 2025, Axis Finance Limited maintained daily average HQLA (after applicable haircut) of ₹ 1,19,171.51 lakhs. The daily average LCR of Axis Finance Limited for the three months ended March 31, 2025 was 319.78.% (The daily average LCR of Axis Finance for the three months ended December 31, 2024 was 260.23%). HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible corporate bonds and commercial papers with mandated haircuts applied thereto.

The weighted cash outflows are primarily driven by secured funding which includes debt obligations on NCDs and bank borrowings. The total weighted cash inflows are primarily driven by performing exposures and lines of credit from Axis Bank Limited ("Parent Company").

	Three months ended March 31, 2025		Three months ended December 31, 2024		Three months ended September 30, 2024		Three months ended June 30, 2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA) (Refer Note 1)	1,19,641.88	1,19,171.51	1,05,460.29	1,04,620.05	96,348.90	96,105.34	92,755.19	92,470.95
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	33,411.76	38,423.52	40,889.83	47,023.30	46,439.69	53,405.65	45,790.71	52,659.32
4 Secured wholesale funding	68,281.15	78,523.32	60,187.84	69,216.01	71,492.56	82,216.44	62,594.89	71,984.13
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	27,928.98	32,118.33	38,758.30	44,572.04	37,247.35	42,834.45	36,929.99	42,469.49
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 <b>Total cash outflows</b>	<b>1,29,621.89</b>	<b>1,49,065.17</b>	<b>1,39,835.96</b>	<b>1,60,811.35</b>	<b>1,55,179.60</b>	<b>1,78,456.54</b>	<b>1,45,315.59</b>	<b>1,67,112.93</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

	Three months ended March 31, 2025		Three months ended December 31, 2024		Three months ended September 30, 2024		Three months ended June 30, 2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
<b>Cash Inflows</b>								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	37,012.39	27,759.29	45,034.97	33,776.23	51,168.82	38,376.62	45,973.23	34,479.92
11 Other cash inflows (Note 2)	2,33,413.03	1,75,059.77	2,35,115.81	1,76,336.86	2,15,262.14	1,61,446.60	2,12,155.33	1,59,116.50
12 <b>Total cash inflows</b>	<b>2,70,425.42</b>	<b>2,02,819.07</b>	<b>2,80,150.78</b>	<b>2,10,113.09</b>	<b>2,66,430.96</b>	<b>1,99,823.22</b>	<b>2,58,128.56</b>	<b>1,93,596.42</b>
13 <b>Total HQLA</b>	<b>1,19,641.88</b>	<b>1,19,171.51</b>	<b>1,05,460.29</b>	<b>1,04,620.05</b>	<b>96,348.90</b>	<b>96,105.34</b>	<b>92,755.19</b>	<b>92,470.95</b>
14 <b>Total net cash outflows</b>	<b>32,405.47</b>	<b>37,266.29</b>	<b>34,958.99</b>	<b>40,202.84</b>	<b>38,794.90</b>	<b>44,614.14</b>	<b>36,328.90</b>	<b>41,778.23</b>
15 <b>Liquidity coverage ratio (%)</b>	<b>369.20%</b>	<b>319.78%</b>	<b>301.67%</b>	<b>260.23%</b>	<b>248.35%</b>	<b>215.41%</b>	<b>255.32%</b>	<b>221.34%</b>

\*Unweighted values calculated as average monthly outstanding balances maturing or callable within 30 days (for inflows and outflows).

# Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%).

Note:

- HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible level 2 bonds.
- Includes liquid fund balances.
- The LCR requirement as per RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, is applicable to the Company from December 1, 2020.

## 70. Liquidity Coverage Ratio (FY 2023-24)

Reserve Bank of India (RBI) had introduced Liquidity Coverage Ratio (LCR) (effective from December 01, 2020) as part of Liquidity Risk Management Framework (LRMF) to ensure that a NBFC has adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows over the next 30 calendar days. As on March 31, 2024, the applicable minimum LCR required to be maintained by the Company is 85.00%.

The Company's liquidity strategy is managed by the Asset Liability Management Committee (ALCO), a management level committee. Meetings of the ALCO are held on a monthly basis. The Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company along with Chief Risk Officer being the permanent invitee, oversees the liquidity risk management. The minutes of RMC are placed before the Board of Directors for noting and discussion.

During the three months ended March 31, 2024, Axis Finance Limited maintained daily average HQLA (after applicable haircut) of ₹ 91,686.91 lakhs against the average HQLA requirement of ₹ 91,970.57 lakhs at minimum LCR requirement of 85.0%. The daily average LCR of Axis Finance Limited for the three months ended March 31, 2024 was 284.70% (The daily average LCR of Axis Finance for the three months ended December 31, 2023 was 170.84%). HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible corporate bonds with mandated haircuts.

The weighted cash outflows are primarily driven by secured funding which includes debt obligations on NCDs and bank borrowings. The total weighted cash inflows are primarily driven by performing exposures and lines of credit from Axis Bank Limited ("Parent Company").

# Notes

forming part of financial statement for the year ended March 31, 2025

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

	Three months ended March 31, 2024		Three months ended December 31, 2023		Three months ended September 30, 2023		Three months ended June 30, 2023	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA) (Refer Note 1)	91,970.57	91,686.91	54,989.87	54,705.15	56,703.98	56,419.51	90,316.79	90,035.24
<b>Cash Outflows</b>								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	68,296.76	78,541.27	73,156.38	84,129.84	62,033.76	71,338.82	4,764.17	5,478.79
4 Secured wholesale funding	27,267.07	31,357.13	21,879.91	25,161.90	26,183.39	30,110.90	82,575.49	94,961.81
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	16,454.30	18,922.45	16,339.60	18,790.54	16,851.06	19,378.72	16,668.07	19,168.28
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 <b>Total cash outflows</b>	<b>1,12,018.13</b>	<b>1,28,820.85</b>	<b>1,11,375.89</b>	<b>1,28,082.28</b>	<b>1,05,068.21</b>	<b>1,20,828.44</b>	<b>1,04,007.73</b>	<b>1,19,608.88</b>
<b>Cash Inflows</b>								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	41,939.98	31,454.99	39,494.07	29,620.55	35,610.56	26,707.92	28,505.37	21,379.02
11 Other cash inflows (Note 2)	2,04,909.96	1,53,682.47	1,93,624.47	1,45,218.35	1,26,779.24	95,084.43	1,26,921.00	95,190.75
12 <b>Total cash inflows</b>	<b>2,46,849.94</b>	<b>1,85,137.46</b>	<b>2,33,118.54</b>	<b>1,74,838.90</b>	<b>1,62,389.80</b>	<b>1,21,792.35</b>	<b>1,55,426.37</b>	<b>1,16,569.77</b>
13 <b>Total HQLA</b>	<b>91,970.57</b>	<b>91,686.91</b>	<b>54,989.87</b>	<b>54,705.15</b>	<b>56,703.98</b>	<b>56,419.51</b>	<b>90,316.79</b>	<b>90,035.24</b>
14 <b>Total net cash outflows</b>	<b>28,004.53</b>	<b>32,205.21</b>	<b>27,843.97</b>	<b>32,020.57</b>	<b>26,267.05</b>	<b>30,207.11</b>	<b>26,001.93</b>	<b>29,902.22</b>
15 <b>Liquidity coverage ratio (%)</b>	<b>328.41%</b>	<b>284.70%</b>	<b>197.49%</b>	<b>170.84%</b>	<b>215.87%</b>	<b>186.78%</b>	<b>347.35%</b>	<b>301.10%</b>

\*Unweighted values calculated as average monthly outstanding balances maturing or callable within 30 days (for inflows and outflows).

# Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%).

Note:

- HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible level 2 bonds.
- Includes liquid fund balances.
- The LCR requirement as per RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, is applicable to the Company from December 1, 2020.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

**71 Off Balance sheet SPVs:** There are no Off-Balance Sheet SPVs of the Company for the current year as well as previous year.

**72 Unhedged foreign currency exposure:** The company does not have any unhedged foreign currency exposure as on 31 March 2025 (31 March 2024: NIL)

**73 Note on operating segment:**

There is no separate reportable segment as per IND AS 108 on "Operating segment" in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Further, no revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in the year ended March 31, 2025 or March 31, 2024

**74 Pending Litigation:**

The Company's pending litigations comprise of claims against the Company by the customers and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

**75 Customer Complaints**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Complaints received by the NBFC from its customers</b>	-	-
1) Number of complaints pending at beginning of the year	120	48
2) Number of complaints received during the year	4,424	4,915
3) Number of complaints disposed during the year	4,438	4,843
3.1) Of which, number of complaints rejected by the NBFC	521	322
4) Number of complaints pending at the end of the year	106	120
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>		
5) Number of maintainable complaints received by the NBFC from Office of Ombudsman	117	91
5.1) Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	111	89
5.2) Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	6	2
5.3) Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6) Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## Top five grounds of complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>2024-25</b>					
Ground - 1 ( Foreclosure Related)	-	1,203	(12%)	17	
Ground - 2 ( Collection Related)	-	756	199%	29	
Ground - 3 (Refund/Waiver/Discount Related)	-	262	40%	4	
Ground - 4 (EMI Related)	-	235	122%	9	
Ground - 5 (ROI/Tenure Related)	-	217	(2%)	11	
Others	-	1,751	(37%)	36	
<b>Total</b>		<b>4,424</b>		<b>106</b>	<b>-</b>
<b>2023-24</b>					
Ground - 1( Foreclosure Related)	-	1,373	43%	29	
Ground - 2( Collection Related)	-	253	220%	25	
Ground - 3 (Refund/Waiver/Discount Related)	-	187	(43%)	7	
Ground - 4(EMI Related)	-	106	(10%)	1	
Ground - 5 (ROI/Tenure Related)	-	221	(8%)	2	
Others	-	2,775	30%	56	
<b>Total</b>		<b>4,915</b>		<b>120</b>	<b>-</b>

## 76 Disclosure pertaining to stock statement filed with banks or financial institutions:

The Company has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Company shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For the financial year March 31, 2025 and previous year ended March 31, 2024, the quarterly statements or returns of current assets filed by the Company with banks are in agreement with books of account.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 77 Ultimate Beneficiary

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries. No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

## 78 Note on compliance with audit trail:

The Company has used accounting software for maintaining its books of account, which has a feature of recording an audit trail (edit log), and the same has been operated throughout the year under audit for all relevant transactions recorded in the software except in the instance of Oracle, audit trail logs with respect to any modification in the masters related to banking details of vendor's were enabled from April 16, 2024. Further, there are no instance of the audit trail feature being tampered with.

For the previous financial year (April 1, 2023 to March 31, 2024), the audit trail has been preserved by the Company in accordance with statutory record retention requirements except in respect of two software's used for recording transactions, where the audit trail was not maintained and hence not retained, of which one software namely Credence Software for its Treasury operations was decommissioned post September 30, 2023. Further, in the instance of Oracle audit trail logs with respect to any modification in the masters related to banking details of vendor's were not enabled for the previous year.



# Notes

forming part of financial statement for the year ended March 31, 2025

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

## 79 Related Party Disclosure in compliance with RBI circular dated 19 April 2022 - "Disclosures in financial statements"

Related Party	Parent (as per ownership or control)			Subsidiaries			Associates/ Joint ventures		
Items	2024-25	2023-24	Max O/S during year	2024-25	2023-24	Max O/S during year	2024-25	2023-24	Max O/S during year
Borrowings**	70,903.51	25,283.42	70,903.51	-	-	-	-	-	-
Equity Share Capital	69,357.05	62,706.38	69,357.05	-	-	-	-	-	-
Deposits	-	10,002.34	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Bank Balance/ Book overdraft	23,912.73	-	36,698.24	-	-	-	-	-	-
Other Liability	179.96	120.00	179.96	-	-	-	-	-	-
Other Assets	0.22	-	0.22	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-	-
Interest paid	3,358.92	6,692.55	-	-	-	-	-	-	-
Interest received	67.74	354.06	-	-	-	-	-	-	-
Share-based payments to employees	664.78	1,308.60	-	-	-	-	-	-	-
Securities Premium	-	26,462.00	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-
Other expense	1,842.57	1,096.62	-	-	-	-	-	-	-
Others income	73.92	-	-	-	-	-	-	-	-

\*Includes transactions with other fellow subsidiaries.

\*\* Maximum outstanding balance excluding interest outstanding amount.

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Key Management Personnel			Relatives of Key Management Personnel			Others*			Total		
2024-25	2023-24	Max O/S during year	2024-25	2023-24	Max O/S during year	2024-25	2023-24	Max O/S during year	2024-25	2023-24	Max O/S during year
-	-	-	-	-	-	-	-	-	70,903.51	82,883.42	70,903.51
-	-	-	-	-	-	-	-	-	69,357.05	62,706.38	69,357.05
-	-	-	-	-	-	-	-	-	-	10,002.34	-
-	-	-	-	-	-	-	-	-	-	-	-
104.84	112.53	111.91	-	-	-	-	-	-	104.84	112.53	111.91
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
57.64	-	57.64	-	-	-	-	0.81	13.51	237.60	120.81	251.11
-	-	-	-	-	-	-	-	208.46	0.22	-	208.68
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	3,358.92	10,940.20	-
-	-	-	-	-	-	-	-	-	67.74	354.06	-
-	-	-	-	-	-	-	-	-	664.78	1,308.60	-
-	-	-	-	-	-	-	-	-	-	26,462.00	-
1,900.20	1,697.58	-	-	-	-	-	-	-	1,900.20	1,697.58	-
248.64	-	-	-	-	-	45.14	339.23	-	2,136.35	1,435.85	-
-	-	-	-	-	-	1,609.10	131.12	-	1,683.02	131.12	-

# Notes

forming part of financial statement for the year ended March 31, 2025  
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

**80** There have been no instances of breach of covenant, divergence in Assets classification and provisioning. (31 March 2024: NIL).

## 81 Details of Revenue from Insurance Commission

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Life Insurance	1,466.86	-
General Insurance	281.89	-
Health Insurance	-	-
<b>Total</b>	<b>1,748.75</b>	<b>-</b>

## 82 Details of expenses incurred in Foreign currency

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Professional fees	16.48	-
IT Expense	1.81	33.96
<b>Total</b>	<b>18.29</b>	<b>33.96</b>

## 83 The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as

- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- There are no undisclosed transaction which have not been recorded in the books.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has not entered into any scheme of arrangement.
- No Registration or satisfaction of charges are pending to be filed with ROC.

## 84 RBI Disclosures

Particulars	Amount outstanding as at March 31, 2025	Amount overdue as at March 31, 2025	Amount outstanding as at March 31, 2024	Amount overdue as at March 31, 2024
<b>Liabilities side:</b>				
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures: Secured	10,71,223.69	-	10,18,797.39	-
Debentures: Unsecured (other than falling within the meaning of public deposits*)	3,23,540.80	-	2,43,907.32	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	17,97,170.64	-	13,40,752.19	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	1,95,599.16	-	1,90,851.87	-
(f) Public Deposits*	-	-	-	-
(g) Other Loans (Bank's Line of Credit)	-	-	-	-

# Notes

forming part of financial statement for the year ended March 31, 2025

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

Particulars	Amount outstanding as at March 31, 2025	Amount overdue as at March 31, 2025	Amount outstanding as at March 31, 2024	Amount overdue as at March 31, 2024
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
(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 xix 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.

Particulars	Amount outstanding as at March 31, 2025	Amount overdue as at March 31, 2025	Amount outstanding as at March 31, 2024	Amount overdue as at March 31, 2024
<b>Assets side:</b>				
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>				
(a) Secured	31,63,246.89	10,454.60	25,07,944.08	5,152.71
(b) Unsecured	5,65,948.13	2,144.36	5,64,567.13	507.90
<b>(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>				
(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	-	-	-	-

# Notes

forming part of financial statement for the year ended March 31, 2025

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

(5) Break-up of Investments:		As at March 31, 2025	As at March 31, 2024
<b>Current Investments:</b>			
(a) Quoted:			
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	246.00
(iii) Units of mutual funds		-	-
(iv) Government Securities		13,740.48	61,914.64
(v) Others (InVIT)		-	5,348.59
(b) Unquoted:			
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	166.07
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
<b>Long-Term Investments:</b>			
(a) Quoted:			
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		26,491.07	37,717.76
(iii) Units of mutual funds		-	-
(iv) Government Securities		61,495.48	-
(v) Others(Invit)		5,117.63	-
(b) Unquoted:			
(i) Shares: (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		46,893.64	49,789.90
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
		<b>1,53,738.29</b>	<b>1,55,182.96</b>

## (6) Borrower group-wise classification of assets financed as in (3) and (4) above: Please see Note 1 below

Category	Amount net of provisions as at March 31, 2025			Amount net of provisions as at March 31, 2024		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(a) Related Parties **						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related parties	-	-	-	-	-	-
(b) Other than related parties	31,30,254.50	5,45,021.87	36,75,276.37	24,85,347.72	5,50,329.77	30,35,677.49
<b>Total</b>	<b>31,30,254.50</b>	<b>5,45,021.87</b>	<b>36,75,276.37</b>	<b>24,85,347.72</b>	<b>5,50,329.77</b>	<b>30,35,677.49</b>

# Notes

forming part of financial statement for the year ended March 31, 2025

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

## (7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted): Please see note 2 below

Category	Market Value/Break up or fair value or NAV* as at March 31, 2025	Book Value (Net of Provisions) as at March 31, 2025	Market Value/Break up or fair value or NAV* as at March 31, 2024	Book Value (Net of Provisions) as at March 31, 2024
(a) Related Parties **				
(i) Subsidiaries	-	-	-	-
(ii) Companies in the same group	-	-	-	-
(iii) Other related parties	-	-	-	-
(b) Other than related parties	1,58,677.86	1,53,413.05	1,53,212.00	1,54,816.28
<b>Total</b>	<b>1,58,677.86</b>	<b>1,53,413.05</b>	<b>1,53,212.00</b>	<b>1,54,816.28</b>

\* Disclosure is made in respect of available information.

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

## (8) Other information

Particulars	2024-25	2023-24
(a) Gross Non-Performing Assets		
(i) Related parties	-	-
(ii) Other than related parties	33,205.80	14,473.48
(b) Net Non-Performing Assets		
(i) Related parties	-	-
(ii) Other than related parties	16,713.23	7,540.60
(c) Assets acquired in satisfaction of debt	-	-

### Notes:

- Provisioning 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.
- All Indian 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.

## 85 Event after Reporting Date

Subsequent events are tracked and evaluated by the Company. There are no events/information which requires adjustment in financial statements as per Ind AS 10.

As per our attached report of even date

### For G. M. Kapadia & Co.

Chartered Accountants  
ICAI Firm Registration No. 104767W

### Rajen Ashar

Partner  
Membership No. 048243  
Place of Signature: Mumbai  
Date: April 17, 2025

### For B.K.Khare & Co.

Chartered Accountants  
ICAI Firm Registration No. 105102W

### Shirish Rahalkar

Partner  
Membership No. 111212  
Place of Signature: Mumbai  
Date: April 17, 2025

For and on behalf of the board of Axis Finance Limited

### Amitabh Chaudhry

Chairman  
DIN No. 00531120

### Amith Iyer

Chief Financial Officer  
CMA Membership No. 51849

### Sai Giridhar

Managing Director  
DIN No. 10757486

### Rajneesh Kumar

Company Secretary  
Membership No. A31230  
Place of Signature: Mumbai  
Date: April 17, 2025

## Notes





## Notes

## Notes





**Axis Finance Limited**

Axis House, C-2 Wadia International Centre,  
P. B. Marg, Worli, Mumbai – 400 025, India

[www.axisfinance.in](http://www.axisfinance.in)