

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 judgment, 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
1	Allowance for expected Credit Loss on Loans (refer note no. 6) ("ECL")	
	<p>As at March 31, 2025, the carrying value of loan assets measured at amortised cost, aggregated ₹ 36,75,276 lakhs (net of allowance of expected credit loss ₹ 53,919 lakhs) constituting approximately 93% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Ind AS financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to 	<p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ol style="list-style-type: none"> Evaluating the Company's accounting policies, as approved by the Board of Directors, for impairment of Financial Instruments. Obtained an understanding of the modelling techniques / models adopted by the Company including the key inputs and assumptions. Tested the design and effectiveness of controls related to: <ul style="list-style-type: none"> • The completeness and accuracy of Exposure at Default (EAD) and the classification of such exposure into stages, as per the Board-approved policy. • The accuracy and relevance of information used in estimating Probability of Default (PD) and Loss Given Default (LGD). 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. Completeness and accuracy of the staging of the loans and the



	<p>reflect future economic conditions including cashflows; and</p> <ul style="list-style-type: none"> Adjustments to model driven ECL results to address emerging trends. 	<p>underlying data based on which the ECL estimates have been computed.</p> <p>f) We also made management enquiries with respect to the overlay quantum.</p>
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Information Technology (IT) System and Controls

The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Proper IT general and application controls are essential to ensure accurate, complete, and consistent data processing for reliable financial reporting. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter

Our Audit Approach:

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.

Our audit approach was a combination of test of internal controls and substantive procedures on the areas of the IT infrastructure, which majorly focused access security (including controls over privileged access), program change controls, database management and network operations.

In particular, our activity included the following:

General IT controls design, observation and operation:

- Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts.
- 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.



		<p>User access controls operation:</p> <ul style="list-style-type: none"> ➤ 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. ➤ Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. <p>Application controls:</p> <ul style="list-style-type: none"> ➤ We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. ➤ For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures. ➤ 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.
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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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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

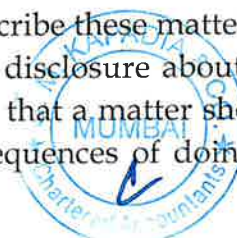
9. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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 judgment 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

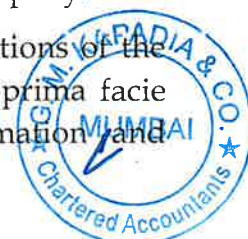
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W



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# (Rs in lakhs)	Interest overdue (Rs in lakhs)	Total overdue (Rs in lakhs)	Remarks (if any)
3,507	33,021.83	2,873.84	35,895.68	

#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.

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.

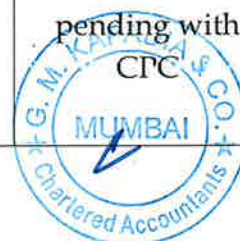
(vii) In respect of Statutory dues:

(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 (Rs)	Amount unpaid (Rs.)	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 willful 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 Rs. 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

[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

AXIS FINANCE LIMITED**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
ASSETS			
Financial Assets			
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
Sub-total-Financial Assets		39,28,095.42	32,69,325.36
Non-Financial Assets			
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
Sub-total-Non-Financial Assets		23,591.22	20,883.62
Total - Assets		39,51,686.64	32,90,208.98
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
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
Sub-total-Financial Liabilities		34,14,581.99	28,77,120.90
Non-Financial liabilities			
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
Sub-total-Non-Financial Liabilities		6,697.28	6,223.57
Total - Liabilities		34,21,279.27	28,83,344.47
EQUITY			
Equity share capital	20	69,357.05	62,706.38
Other equity	21	4,61,050.32	3,44,158.13
Total - Equity		5,30,407.37	4,06,864.51
Total - Liabilities and Equity		39,51,686.64	32,90,208.98

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



Sai Giridhar

Managing Director

DIN No: 10757486



Amith Iyer

Chief Financial Officer

CMA Membership No: 51849




Rajneesh Kumar

Company Secretary

Membership No: A31230

Place of Signature: Mumbai

Date: April 17, 2025

AXIS FINANCE LIMITED**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
Revenue from operations			
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
Total Revenue from operations		4,09,379.09	3,15,282.23
Other Income	23b	684.42	131.12
Total income		4,10,063.51	3,15,413.35
Expenses			
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
Total expenses		3,22,343.97	2,35,958.41
Profit before exceptional items and tax		87,719.54	79,454.94
Exceptional Items		-	-
Profit before taxes		87,719.54	79,454.94
Tax expenses			
- Current Tax		26,077.74	21,994.68
- Deferred Tax		(3,605.54)	(2,259.81)
Profit for the year		65,247.34	59,720.07
Other Comprehensive Income			
(A) Items that will not be reclassified to profit and loss			
-Re-measurements of net defined benefit plans		(161.65)	(131.73)
-Income tax impact		(40.68)	(33.15)
Sub-total (A)		(120.97)	(98.58)
(B) Items that will be reclassified to profit and loss			
-Fair value changes on derivative designated as cash flow hedge		(1,919.76)	-
-Income tax impact		(483.16)	-
Sub-total (B)		(1,436.60)	-
Other Comprehensive Income/(Loss) (A+B)		(1,557.57)	(98.58)
Total Comprehensive Income for the year		63,689.77	59,621.49
Paid-up Equity share capital (Face Value of ₹ 10 each)		69,357.05	62,706.38
Earning per equity share (not annualised)			
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 Bahalkar

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

Sai Giridhar

Managing Director

DIN No: 10757486

Amith Iyer

Chief Financial Officer

CMA Membership No: 51849

Rajneesh Kumar

Company Secretary

Membership No: A31230

Place of Signature: Mumbai

Date: April 17, 2025

AXIS FINANCE LIMITED

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
A. Cash flow from operating activities		
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)
Operating profit before working capital changes	1,08,509.14	91,777.68
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
Cash generated from operations	(6,22,895.28)	(7,64,548.92)
Income tax paid	(25,123.67)	(21,806.12)
Net cash flow from operating activities (A)	(6,48,018.95)	(7,86,355.04)
B. Cash flow from investing activities		
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)
Net cash flow from investing activities (B)	15,243.13	(51,695.03)
C. Cash flow from financing activities		
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)
Net cash flow from financing activities (C)	6,52,197.60	8,23,237.64
Net increase/(decrease) in cash and equivalents (A+B+C)	19,421.78	(14,812.43)
Cash and cash equivalents at the beginning of the year	60,703.63	75,516.06
Cash and cash equivalents at the end of the year	80,125.41	60,703.63
Cash	-	-
Cash and cash equivalents	28,155.27	60,703.63
Investment in highly liquid securities	51,970.14	-
	80,125.41	60,703.63



AXIS FINANCE LIMITED

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
Additional disclosure pursuant to IND AS 7		
Opening balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities including interest accrued	27,94,308.77	20,00,183.56
Cash flows (net)*	5,93,225.52	7,94,125.21
Closing balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities	33,87,534.29	27,94,308.77

*Cash flows (net) includes cash flows and accruals

1. The movement in lease liabilities have been disclosed in Note : 39

2. 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

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

4. 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

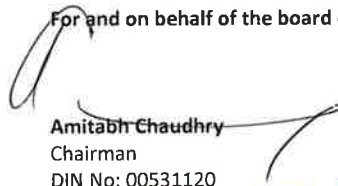
Membership No.: 111212

Place of Signature: Mumbai

Date: April 17, 2025



For and on behalf of the board of Axis Finance Limited



Amitabh Chaudhry

Chairman

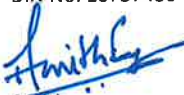
DIN No: 00531120



Sai Giridhar

Managing Director

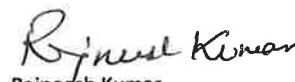
DIN No: 10757486



Amith Iyer

Chief Financial Officer

CMA Membership No: 51849



Rajneesh Kumar

Company Secretary

Membership No: A31230

Place of Signature: Mumbai

Date: April 17, 2025

AXIS FINANCE LIMITED

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 period	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 period	Balance at the end of the period
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

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

Sai Giridhar

Managing Director

DIN No: 10757486

Amith Iyer

Chief Financial Officer

Membership No: 51849

Rajneesh Kumar

Company Secretary

Membership No: A31230

Place of Signature: Mumbai

Date: April 17, 2025



AXIS FINANCE LIMITED

Notes forming part of financial statements 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 – 400025. 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.

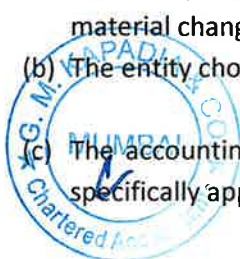
These Financial Statements for the year ended March 31, 2025 have been reviewed by the Audit Committee and were authorized for issue by the Board of Directors of the Company at its meeting held on April 17, 2025.

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



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)**

- (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.

(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 29th 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.



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)****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 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.

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AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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.

(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:

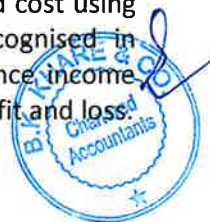
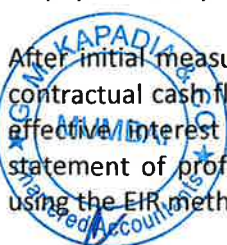
- Amortized Cost (AC)
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

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.



AXIS FINANCE LIMITED

Notes forming part of financial statements 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
 - 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



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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 derecognized only when

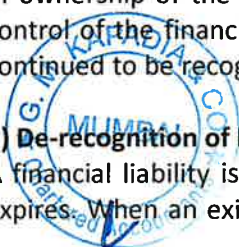
- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

b) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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.

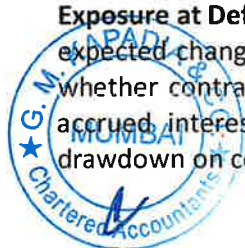
The expected credit loss is a product of Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into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

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.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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 categorized 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.

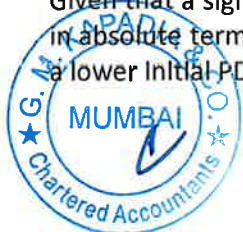
It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments which are financial assets measured at amortized cost or FVTOCI, are credit-impaired at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

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 unlikelihood to pay indicators and a back-stop, if amounts are overdue for 90 days or more

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.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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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 realize 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.

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.



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)****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

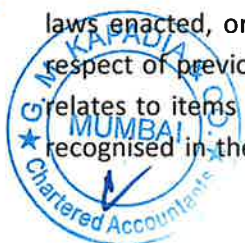
Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

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



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)**

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 will 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.

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
Tangible Assets:		
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
Intangible Assets:		
Software	3	5



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Notes forming part of financial statements for the year ended March 31, 2025

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Further, Company has made policy of considering the assets costing less than Rs. 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.

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.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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 judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. These are reviewed at each year end and reflect the best current estimate.

3.9 Leases

The Company as a lessee

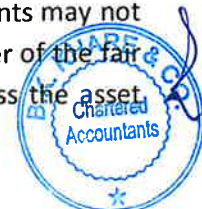
The Company's lease assets primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange 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.

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



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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 maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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 favorable and unfavorable that occur between end of the reporting period and the date on which the financial statements are approved for issue.

Adjusting Events

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

Non-adjusting Events

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

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 judgments, estimates and assumptions

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

Judgments

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



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

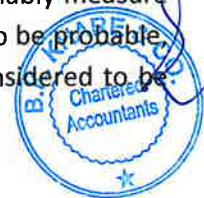
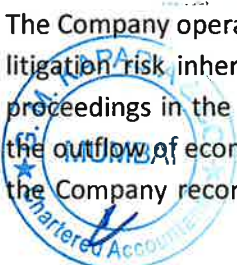
The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other 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



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)**

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.

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 9th 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 1st 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.



AXIS FINANCE LIMITED
Notes forming part of financial statements 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	-
Total	80,125.41	60,703.63

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	-	-
Total	39.83	759.27

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)

5a Receivables ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment#					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#					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	-	-	-	-	-	-

#The ageing of the receivable is determined from the date of the transaction



AXIS FINANCE LIMITED
Notes forming part of financial statements for the year ended March 31, 2025
(All amounts are in rupees lakhs, except per share data and as stated otherwise)
6 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Loans		
(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)
Total	36,75,276.37	30,35,677.49
(B) Out of above		
(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)
Total	36,75,276.37	30,35,677.49
(ii) Loans outside India	-	-
Total (i+ii)	36,75,276.37	30,35,677.49
(C) Out of above		
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
Total Loans	37,29,195.02	30,72,511.21
Less: Impairment loss allowance	(53,918.65)	(36,833.72)
Total	36,75,276.37	30,35,677.49

Notes:-

1) Loans to the extent of ₹ in Lakhs 31,63,246.89 (March 31, 2024: 25,07,944.08) are secured by:

(i) Hypothecation of assets and / or

(ii) Mortgage of property and / or

(iii) Corporate guarantee/personal guarantee of directors in certain cases over and above of security and / or

(iv) Government guarantees

(v) Pledge of shares & other financial securities.

2) There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

3) 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).

4) Refer Note 30 for Credit quality of financial assets and Expected credit loss.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

7 Investments

As at March 31, 2025			
Particulars	Amortised Cost 1	At Fair value through Profit & Loss Account 2	Total (3=1+2)
Investments In India			
Quoted			
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
Unquoted			
Investment in Debt Securities	46,893.64		46,893.64
Total – Gross (A)	1,44,962.57	8,775.71	1,53,738.28
Less: Impairment loss allowance (B)	(325.22)	-	(325.22)
Total – Net (A-B)	1,44,637.35	8,775.71	1,53,413.06

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

As at March 31, 2024			
Particulars	Amortised Cost 1	At Fair value through Profit & Loss Account 2	Total (3=1+2)
Investments In India			
Quoted			
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
Unquoted			
Investment in Debt Securities	49,955.97	-	49,955.97
Total – Gross (A)	1,45,771.15	9,411.81	1,55,182.96
Less: Impairment loss allowance (B)	(366.68)	-	(366.68)
Total – Net (A-B)	1,45,404.47	9,411.81	1,54,816.28

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



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
Total	19,240.75	17,368.69

*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
Unamortized 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)
Total	14,394.61	10,265.21

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
Deferred tax assets						
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
Deferred tax liabilities						
Depreciation	(72.54)	6.43	-	-	6.43	(66.11)
Unamortized Processing Fees on NCD borrowings	(7.37)	(540.25)	-	-	(540.25)	(547.62)
	10,265.21	3,605.55	523.84	-	4,129.39	14,394.61



**Movement of Deferred Tax Assets/(Liability)
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
Deferred tax assets						
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
Deferred tax liabilities						
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)
	7,972.24	2,259.82	33.15	-	2,292.97	10,265.21

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)
Total tax charge	22,472.20	19,734.87
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

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	22,472.20	19,734.87
Effective tax rate for the year	25.62%	24.84%



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

10 Property, Plant and Equipment (PPE)

Particulars	Computers	Office equipment	Furniture & fixtures	Leasehold improvements	Vehicles	Land and Building	Total
Cost:							
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	1,093.21	105.78	231.22	32.85	826.87	4.50	2,294.43
Depreciation and impairment:							
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	724.78	50.61	40.32	7.78	311.55	0.82	1,135.86
Net book value:							
As at March 31, 2024	262.37	45.64	104.76	27.47	369.28	3.76	813.28
As at March 31, 2025	368.43	55.17	190.90	25.07	515.32	3.68	1,158.57

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.

11 Other Intangible Assets

Particulars	Software	Total
Computer software		
Cost:		
As at April 1, 2023	3,122.08	3,122.08
Additions	659.88	659.88
Disposals	-	-
As at March 31, 2024	3,781.96	3,781.96
Additions	992.13	992.13
Disposals	-	-
As at March 31, 2025	4,774.09	4,774.09
Accumulative amortisation and impairment:		
As at April 1, 2023	1,746.61	1,746.61
Disposals	-	-
Amortisation charge for the year	643.43	643.43
As at March 31, 2024	2,390.04	2,390.04
Disposals	-	-
Amortisation charge for the year	659.94	659.94
As at March 31, 2025	3,049.98	3,049.98
Net book value Softwares:		
As at March 31, 2024	1,391.92	1,391.92
As at March 31, 2025	1,724.11	1,724.11
Intangible assets under development		
As at March 31, 2024	102.45	102.45
As at March 31, 2025	89.48	89.48

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	-	-	-



AXIS FINANCE LIMITED

Notes forming part of financial statements 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
Total	1,432.97	1,178.75



13 Payables

Particulars	As at March 31, 2025	As at March 31, 2024
i) Trade Payables		
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
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
Total	5,089.28	4,830.58

1) 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.

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
At Amortised Cost (In India)		
Secured		
Non Convertible Debentures (NCD)	10,71,223.69	10,18,797.39
Accrued Interest on NCD & Transaction cost		
Unsecured		
Commercial paper	2,01,000.00	1,97,000.00
Less: Unamortised Discounting Charges	(5,400.84)	(6,148.13)
Total	12,66,822.85	12,09,649.26

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.

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
				817810	10,71,223.69

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
				572340	10,18,797.39



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
		40,200	2,01,000.00

Maturity date	Face Value	Qty	As at March 31, 2024
CP maturing within one year	5,00,000	39,400	1,97,000.00
		39,400	1,97,000.00

15 Borrowings (Other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortised Cost (In India)		
Secured		
Loan from related party	21,403.51	81,779.85
Loan from other Banks	16,03,034.35	12,51,246.07
At Amortised Cost (Outside India)		
Secured		
External Commercial Borrowings	1,72,732.78	-
Foreign currency term loan from bank	0.00	7,726.27
Total	17,97,170.64	13,40,752.19

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 Rs. 600 lakhs by 1 day. As represented by the management, the delay was on account of a technical delay from the bank.

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
	17,97,170.64	13,40,752.19

16 Subordinated Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortised Cost (In India)		
Unsecured		
Subordinated debt (Non-convertible debentures)	3,23,540.80	2,43,907.32
Total	3,23,540.80	2,43,907.32

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
			150215	3,23,540.80

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
			90065	2,43,907.32

(In case of Perpetual Debt, reference of call option date is given)

17 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advances from customers	52.20	2,492.37
Other financial liabilities*	20,464.93	72,556.60
Total	20,517.13	75,048.97

(*This also includes bank overdraft, unapportioned credits pertaining to loans, payable to assignment partners, etc.)



18 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
-Provision for gratuity	153.26	105.83
-Short term employee benefit payable	4,241.98	3,608.07
Total	4,395.24	3,713.90

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
Total	1,818.71	1,403.29

20 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised Share Capital		
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
	1,00,000.00	1,00,000.00
Issued, subscribed and fully paid-up:		
69,35,70,539 (March 31, 2024: 62,70,63,775) equity shares of ₹10/- each	69,357.05	62,706.38
	69,357.05	62,706.38

(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	-	-
Balance at the end of the year	69,35,70,539	62,70,63,775

During the year ended March 31, 2025 the Company has issued equity shares to existing shareholders on right issue in following tranch:-

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
Axis Bank Limited (the holding Company) and its Nominees		
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
Equity shares of ₹ 10 each fully paid		
Axis Bank Limited (the holding Company) and its Nominees	100%	100%

f) Shareholding of Promoters as at March 31, 2025 as under:

Shares held by promoters as at March 31, 2025				% Change during the year
S. No	Promoter name	No. of Shares	% of total shares	
1	Axis Bank Limited	69,35,70,539	100%	No change in shareholding
Total				

Shareholding of Promoters as at March 31, 2024 as under:

Shares held by promoters as at March 31, 2024				% Change during the year
S. No	Promoter name	No. of Shares	% of total shares	
1	Axis Bank Limited	62,70,63,775	100%	No change in shareholding
Total				

(g) The Board of directors has not recommended any dividend to shareholders for the year ended March 31, 2025 (March 31, 2024: NIL).



21. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium		
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)
Balance at the end of the year	1,76,905.48	1,23,703.06
Statutory Reserve u/s 45-IC of the RBI Act, 1934		
Balance at the beginning of the year	55,512.00	43,567.00
Add:- Addition during the year	13,050.00	11,945.00
Balance at the end of the year	68,562.00	55,512.00
Deemed Capital Contribution		
Balance at the beginning of the year	1,209.85	1,209.85
Add:- Addition during the year	-	-
Balance at the end of the year	1,209.85	1,209.85
Retained Earnings		
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)
Balance at the end of the year	2,15,891.94	1,63,694.60
Other Comprehensive Income (OCI)		
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)
Balance at the end of the year (A)	(115.39)	5.58
Cash Flow Hedge Reserve		
Balance at the beginning of the year	-	-
Add:- Addition during the year	(1,436.60)	-
Balance at the end of the year (B)	(1,436.60)	-
Other Comprehensive Income (OCI) (A+B)	(1,551.99)	5.58
General Reserves		
Balance at the beginning of the year	33.04	33.04
Add:- Addition during the year	-	-
Balance at the end of the year	33.04	33.04
Total	4,61,050.32	3,44,158.13

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.

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	-
Total	3,92,913.35	2,97,670.41

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
Total	10,117.44	4,211.40

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
Total	1,788.77	693.80

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	-
Total	684.42	131.12

24 Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On trading portfolio	-	-
Net gain on fair value changes (Realised)	2,735.31	3,342.98
Net gain on fair value changes (Unrealised)	(128.53)	508.24
Total	2,606.78	3,851.22

25 Finance Costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses on financial liabilities measured at amortised cost		
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	-
Total	2,43,574.42	1,82,973.07

26 Impairment on financial instruments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment on financial instruments at amortised cost		
Loans*	32,356.73	15,209.87
Investments	(41.46)	192.18
Total	32,315.27	15,402.05

*Note: It includes loan written off during the period amounting to ₹ 14,669.13 lakhs (Previous period: ₹ 7,832.53 lakhs).



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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
Total	27,422.47	24,518.13

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
Total	2,029.10	2,039.40

29 Other expenses

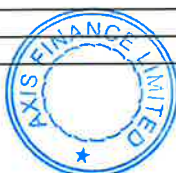
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	619.42	314.16
Electricity expenses	182.89	167.02
Repairs and maintenance - others	673.84	492.17
Printing and stationery	106.22	108.06
Travelling and conveyance	1,198.75	902.19
Professional fees	4,319.99	1,924.45
CSR 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 Exps	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
Total	17,002.71	11,025.76

*** Corporate Social Responsibility expenditure (CSR)**

Particular	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	-	-
Total	1,351.19	999.76

**** Payment to Auditors**

Particular	For the year ended March 31, 2025	For the year ended March 31, 2024
As Auditors		
Audit Fee	90.00	85.00
Tax Audit Fee	-	5.00
Certification and other fees	5.00	-
Reimbursement of expenses	-	-
Total	95.00	90.00



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
Total - Gross	37,29,195.02	30,72,511.21
Less: Impairment loss allowance	53,918.65	36,833.72
Total - Net	36,75,276.37	30,35,677.49
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
Total - Gross	37,29,195.02	30,72,511.21
Less: Impairment loss allowance	53,918.65	36,833.72
Total - Net	36,75,276.37	30,35,677.49

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
Performing				
Standard	36,19,335.71	-	-	36,19,335.71
Past due but not impaired	-	39,227.43	-	39,227.43
Non Performing				
Individually Impaired	-	-	16,713.23	16,713.23
Total	36,19,335.71	39,227.43	16,713.23	36,75,276.37

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	29,99,720.37	-	-	29,99,720.37
Past due but not impaired	-	28,416.52	-	28,416.52
Non Performing				
Individually Impaired	-	-	7,540.60	7,540.60
Total	29,99,720.37	28,416.52	7,540.60	30,35,677.49

(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)
Gross carrying amount closing balance	36,52,644.57	43,344.68	33,205.78	37,29,195.02

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)
Gross carrying amount closing balance	30,27,248.21	30,789.52	14,473.48	30,72,511.21

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.



30 Credit Quality of Financial Assets & Expected Credit Loss (ECL)

A) Loans and Advances

(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)
ECL allowance - closing balance	33,308.75	4,117.31	16,492.59	53,918.65

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)
ECL allowance - closing balance	27,527.76	2,373.05	6,932.91	36,833.72

*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
Performing				
Standard	3,01,936.45	2,764.46	-	3,04,700.91
Non Performing				
Individually Impaired	-	-	-	-
Total	3,01,936.45	2,764.46	-	3,04,700.91

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	2,37,445.97	2,328.53	-	2,39,774.50
Non Performing				
Individually Impaired	-	-	-	-
Total	2,37,445.97	2,328.53	-	2,39,774.50



30 Credit Quality of Financial Assets & Expected Credit Loss (ECL)

A) Loans and Advances

(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	-	-	-	-
Gross carrying amount closing balance	3,01,936.45	2,764.46	-	3,04,700.91

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	-	-	-	-
Gross carrying amount closing balance	2,37,445.97	2,328.53	-	2,39,774.50

B Investments

(i) Investments

Particulars	Amortised Cost	Fair Value Through Profit & Loss	Total
As at March 31, 2025			
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
Total Gross	1,44,962.57	8,775.71	1,53,738.28
Less: Impairment loss allowance	(325.22)	-	(325.22)
Total	1,44,637.35	8,775.71	1,53,413.06
As at March 31, 2024			
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
Total Gross	1,45,771.15	9,411.81	1,55,182.96
Less: Impairment loss allowance	366.68	-	366.68
Total	1,45,404.47	9,411.81	1,54,816.28

(ii) Credit quality of assets

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	1,53,413.06	-	-	1,53,413.06
Non Performing				
Individually Impaired	-	-	-	-
Total	1,53,413.06	-	-	1,53,413.06

Particulars	For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	1,54,816.28	-	-	1,54,816.28
Non Performing				
Individually Impaired	-	-	-	-
Total	1,54,816.28	-	-	1,54,816.28



30 Credit Quality of Financial Assets & Expected Credit Loss (ECL)

B Investments

(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	-	-	-	-
Gross carrying amount closing balance	1,53,738.27	-	-	1,53,738.27

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	-	-	-	-
Gross carrying amount closing balance	1,55,182.96	-	-	1,55,182.96

(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	-	-	-	-
ECL allowance - closing balance	325.22	-	-	325.22

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	-	-	-	-
ECL allowance - closing balance	366.68	-	-	366.68



30 Credit Quality of Financial Assets & Expected Credit Loss (ECL)

C) Trade Receivables

(i) Trade Receivables

Particulars	March 31, 2025	March 31, 2024
Unsecured considered good	39.83	759.27
Less : Impairment loss allowance	-	-
Total - Net	39.83	759.27

(ii) Credit quality of assets

	For the year ended March 31, 2025				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Performing					
Standard	39.83	-	-	-	39.83
Non Performing					
Individually Impaired	-	-	-	-	-
Total	39.83	-	-	-	39.83

	For the year ended March 31, 2024				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Performing					
Standard	759.27	-	-	-	759.27
Non Performing					
Individually Impaired	-	-	-	-	-
Total	759.27	-	-	-	759.27

(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	-	-	-	-	-
Gross carrying amount closing balance	39.83	-	-	-	39.83

	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	-	-	-	-	-
Gross carrying amount closing balance	759.27	-	-	-	759.27

Note 1: New assets originated represents fresh disbursement made during the year. Classification of new assets originated in stage 1, 2, 3 is based on year end staging.



AXIS FINANCE LIMITED
Notes forming part of financial statements for the year ended March 31, 2025
(All amounts are in rupees lakhs, except per share data and as stated otherwise)
(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	-	-	-	-	-
ECL allowance - closing balance	-	-	-	-	-

	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	-	-	-	-	-
ECL allowance - closing balance	-	-	-	-	-



30 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
a) Corporate Loans	8,347.03	-	31,626.72	8,659.47	(31,939.16)	40,286.19	31,939.16
b) Retail Loans	24,858.75	-	51,378.76	-	(26,520.01)	51,378.76	26,520.01
Total	33,205.78	-	83,005.48	8,659.47	(58,459.17)	91,664.95	58,459.17
							Associated ECL
							3,327.43
							13,165.14
							16,492.57

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
a) Corporate Loans	5,746.95	-	10,055.56	8,747.54	(13,056.15)	18,803.10	13,056.15
b) Retail Loans	8,726.53	-	15,207.51	-	(6,480.98)	15,207.51	6,480.98
Total	14,473.48	-	25,263.07	8,747.54	(19,537.13)	34,010.61	19,537.13
							Associated ECL
							2,118.37
							4,814.54
							6,932.91



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			Total
	Fair value through profit and loss	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
Financial assets						
Receivables	-	39.83	39.83	-	-	39.83
Loans	-	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
Other financial assets	-	19,240.75	19,240.75	-	-	19,240.75
Total	8,775.72	38,39,194.29	38,47,970.01	1,06,778.39	-	37,41,191.62
Financial liabilities						
Payables	-	5,089.28	5,089.28	-	-	5,089.28
Debt securities	-	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
Subordinated Liabilities	-	3,23,540.80	3,23,540.80	3,23,540.80	-	-
Lease Liabilities	-	1,441.27	1,441.27	-	-	1,441.27
Other financial liabilities	-	20,517.14	20,517.14	-	-	20,517.14
Total	-	34,14,581.99	34,14,581.99	15,90,363.64	-	18,24,218.35
						34,14,581.99

Particulars	As at March 31, 2024					
	Carrying amount		Fair Value			Total
	Fair value through profit and loss	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs
Financial assets						
Receivables	-	759.27	759.27	-	-	759.27
Loans	-	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
Other financial assets	-	17,368.69	17,368.69	-	-	17,368.69
Total	9,411.81	31,99,209.92	32,08,621.73	1,05,125.46	-	31,03,496.27
						32,08,621.73



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, 2024						
	Carrying amount		Fair Value			Total	
	Fair value through profit and loss	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs		Level 3 -Significant unobservable inputs
Financial liabilities							
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
Total	-	28,77,120.90	28,77,120.90	14,53,556.58	7,726.27	14,15,838.05	28,77,120.90

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

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

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

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
ASSETS						
Financial Assets						
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
Sub-total-Financial assets	12,31,351.61	26,96,743.81	39,28,095.42	10,00,414.86	22,68,910.49	32,69,325.36
Non-Financial Assets						
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
Sub-total-Non-financial assets	85.72	23,505.50	23,591.22	626.56	20,257.06	20,883.62
Total - Assets	12,31,437.33	27,20,249.29	39,51,686.64	10,01,041.42	22,89,167.56	32,90,208.98
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Payables						
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
Sub-total-Financial liabilities	9,50,975.86	24,63,606.13	34,14,581.99	9,27,662.59	19,49,458.31	28,77,120.90
Non-Financial liabilities						
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
Sub-total-Non-financial liabilities	6,213.95	483.33	6,697.28	5,721.64	501.93	6,223.57
Total Liabilities	9,57,189.81	24,64,089.45	34,21,279.27	9,33,384.23	19,49,960.24	28,83,344.47

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.

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
Basic			
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
Diluted			
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 Mangement Limited

Key management personnel

Sai Giridhar (Managing Director & CEO)(effective 01st January 2025)
Bipin Kumar Saraf (Managing Director & CEO)(upto 31st December 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. 26 June 2024)
Puneet Sharma (Director) (w.e.f. 26 June 2024)
Babu Rao Busi (Director)
Biju Pillai (Wholetime Director)(upto 6th September 2024)
Amith Iyer (Chief Financial Officer)
Rajneesh Kumar (Company Secretary)



36 Related Parties disclosure:

Transactions with related parties

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
Capital Receipts and Payments					
Capital Infusion including Securities Premium	6,650.68	-	-	-	6,650.68
	(30,086.99)	(-)	-	(-)	(30,086.99)
Fixed Deposits	10,000.00	-	-	-	10,000.00
	(10,000.00)	-	-	-	(10,000.00)
Non-Convertible Debentures	49,500.00	-	-	-	49,500.00
	(46,648.14)	(-)	-	(-)	(46,648.14)
Transactions					
Expense					
Rent paid	237.28	-	-	-	237.28
	(247.82)	(-)	-	(-)	(247.82)
Car Parking Rent	0.35	-	-	-	0.35
	(0.35)	(-)	-	(-)	(0.35)
Bank charges	27.31	-	-	-	27.31
	(18.46)	(-)	-	(-)	(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	-	-	-	67.55
	(45.49)	(-)	-	(-)	(45.49)
IPA commission charges paid	5.85	-	-	-	5.85
	(5.00)	(-)	-	(-)	(5.00)
Service charges other – IT Service fees	284.06	-	-	-	284.06
	(155.20)	(-)	-	(-)	(155.20)
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	-	-	-	3.00
	(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
	(-)	(-)	-	(-)	(-)
Income					
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
	-	(-)	-	-	-

36 Related Parties disclosure:

Transactions with related parties

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding Co	Key Management Personnel	Total
Closing Balance/Outstanding Balances as on March 31, 2025					
Liability					
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
	(-)	(-)	(-)	(-)	(7,600.00)
Professional fees (ATSL)	-	13.51	-	-	13.51
	(-)	(0.81)	(-)	(-)	0.81
CP Issue Expenses (ASL)	-	-	-	-	-
	(-)	(0.55)	(-)	(-)	(0.55)
Asset					
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)

Note: -

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.

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 31 March, 2025	For the year ended 31 March, 2024
Short term employee benefits	757.79	780.42
Post employment benefits	65.70	43.97
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	1,076.70	685.19
Total	1,900.20	1,509.58



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 lumpsum 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

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
1st Following Year	19.84	17.14
2nd Following Year	24.53	20.78
3rd Following Year	28.09	24.52
4th Following Year	48.62	54.26
5th 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



37 Employee Benefits

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

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%
Employee turnover		
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	400.90712	282.03

The weighted average duration of defined benefit obligations as at 31 March 2025 is 12 years (Previous Year : 12 years)

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

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	-	-
Gross carrying value	4,526.46	4,336.87
Accumulative depreciation		
Opening Balance	2,333.20	1,301.96
Depreciation	912.56	1,031.24
Translation adjustments	-	-
Closing Balance	3,245.76	2,333.20
Net carrying value	1,280.70	2,003.67

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)
Closing Lease Liabilities	1,441.24	2,132.58

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
Total	1,053.32	1,192.13

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
Total	1,021.69	1,134.34

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	-	-
Balance as at 31 March	1,441.26	2,132.58

While measuring the lease liabilities, the Company discounted lease payments using its incremental borrowing 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	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%	NA

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%

43 Revenue from contract with customers (Ind AS 115)

Particulars	March 31, 2025	March 31, 2024
Type of Services		
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
Total	10,117.44	4,211.40
Geographical markets		
India	10,117.44	4,211.40
Outside India	-	-
Total	10,117.44	4,211.40
Timing of revenue recognition		
Services transferred at a point in time	10,117.44	4,211.40
Services transferred over time	-	-
Total	10,117.44	4,211.40



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)****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.

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.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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.



AXIS FINANCE LIMITED**Notes forming part of financial statements 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 31 March 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
Total Loans (A+B)	36,52,644.56	43,344.68	33,205.78	37,29,195.02
Investments	1,53,738.28	-	-	1,53,738.28



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

Credit Risk Exposure Analysis at Amortized Cost

(₹ In lakhs)

Particulars	As at 31 March 2024			Total
	Stage 1	Stage 2	Stage 3	
Corporate (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
Total Loans (A+B)	30,27,248.21	30,789.52	14,473.48	30,72,511.21
Investments	1,55,182.96	-	-	1,55,182.96

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.



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)****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	Sensitivity of Net Interest Income
	2024-25	2023-24
+/- 20 bps	- ₹2118 lakhs / + ₹2118 lakhs	- ₹1926 lakhs / + ₹1926 lakhs
+/- 30 bps	- ₹3178 lakhs / + ₹3178 lakhs	- ₹2889 lakhs / + ₹2889 lakhs

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.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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.

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.



AXIS FINANCE LIMITED**Notes forming part of financial statements for the year ended March 31, 2025****(All amounts are in rupees lakhs, except per share data and as stated otherwise)**

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 Rs. 4612.28 lakhs during the year (Previous Year: 3047.55).

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 Liabilities
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.

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%



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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%
		33,87,534	98.99%

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



AXIS FINANCE LIMITED**Notes forming part of financial statements 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 31 March, 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 Liabilities
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



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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:

- 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



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

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.



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

Particulars	Financial year 2024-25										
	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	35,178.89	3,197.91	25,295.19	52,951.85	69,909.42	3,32,010.09	5,50,362.81	14,01,588.23	5,14,094.30	6,90,687.68	36,75,276.37
Investments	10,637.77	-	-	60,761.80	869.00	2,124.20	2,040.38	49,536.00	12,710.00	14,733.90	1,53,413.06
Borrowings	3,276.30	12,538.86	77,560.76	1,02,489.68	77,814.72	2,01,562.00	4,63,748.81	15,19,342.41	6,39,312.21	2,89,888.55	33,87,534.30
Foreign currency asset	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

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.

Particulars	Financial year 2023-24										
	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	0	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances	26,870.92	2,416.32	11,258.61	43,430.97	56,264.02	2,59,984.31	4,74,435.39	9,71,965.96	5,76,048.11	6,13,002.88	30,35,677.49
Investments	-	-	-	54,462.77	3,637.04	-	-	35,000.00	10,000.00	51,716.47	1,54,816.28
Borrowings	3,357.41	5,821.33	29,204.97	1,46,479.45	1,03,039.63	1,86,419.27	3,79,656.94	12,07,201.51	5,30,659.07	2,02,469.20	27,94,308.78
Foreign currency asset	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

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 ₹ 2,05,000 lakhs has not been considered in the above bucketing.



- 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:-

FY 2024-25

Type of borrower	(A) 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)*	(B) Of (A), aggregate debt that slipped into NPA during the year	(C) Of (A) amount written off during the year	(D) Of (A) amount paid by the borrowers during the year	(E) 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
Total	965.93	-	-	72.89	898.58

*Amount outstanding as on March 31, 2024

FY 2023-24

Type of borrower	(A) 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)*	(B) Of (A), aggregate debt that slipped into NPA during the year	(C) Of (A) amount written off during the year	(D) Of (A) amount paid by the borrowers during the year	(E) 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
Total	1,617.06	603.24	-	282.47	965.93

*Amount outstanding as on March 31, 2023

- 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	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).

- a) The Company has not transferred any non-performing assets (NPAs).
b) The Company has not transferred any Special Mention Account (SMA) and loan in default.
c) The Company has not acquired any loans in default or not in default through assignment.
d) The Company has not acquired any stressed loan.

- (B) Pool acquired (not in default) through assignment during year ended 31st March 2025

Particulars	March 31, 2025	March 31, 2024
Number of loans acquired	5,872	14,790.00
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.



- 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	-	-
	324.39	274.38

Note 1) Includes unbilled amount of ₹ 324.39 lakhs (March 31, 2024 : ₹ 274.38 lakhs)

49 Capital to Risk-Asset Ratio (CRAR)

1. 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.

2. 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.

3. 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.

4. Tier II Capital consists of impairment provisions on financial instruments (assets) and subordinate debt.

5. 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.

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.	-	-
Total Exposure to Real Estate Sector	19,13,039.75	17,78,746.05

* 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.



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	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
i) Category I	-	-
ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	5,117.63	8,637.00

* 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 writtwn 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 05-Feb-2024.
- 56 There have not been any penalties imposed by RBI and other regulators on the Company in current year and previous year.



- 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 31 March 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
					India Rating - 30
Principal protected Market linked Debentures	NA	CARE AAA/STABLE	IND AAA / Stable	NA	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 31 March 2024

FACILITY	CRISIL	INDIA RATINGS	Brickwork Ratings	CARE RATINGS	Amount (₹ in crores)
Non-Convertible Debenture	CRISIL AAA/STABLE	IND AAA/STABLE	NA	CARE AAA/STABLE	CRISIL - 18206.00
					CARE- 23,000
					INDIA RATING - 18,000
					India Rating - 500
Principal protected Market linked Debentures	NA	IND AAA/STABLE	NA	CARE AAA/STABLE	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

- 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%

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
1. Agriculture and Allied Activities	6,972.14					
2. Industry						
i. Large	4,51,221.14	-	-	4,06,593.98	-	-
Others	1,05,749.38	2,144.46	-	68,697.90	-	-
Total of Industry	5,56,970.52	2,144.46	0.39%	4,75,291.88	-	-
(i+...+Others)						
3. Services						
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	-	-
Total of Services	15,32,953.90	6,377.59	0.42%	14,14,367.50	5,949.32	0.42%
(i+ii+...+Others)						
4. Personal Loans						
Others	-	-	-	-	-	-
Total of Personal Loans	-	-	-	-	-	-
(i+ii+...+Others)						
5. Others, if any (please specify)						
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	-	-
Total of Others, if any (please specify)	19,36,999.37	24,683.74	1.27%	14,17,711.53	8,524.17	0.60%
	40,33,895.93	33,205.79	0.82%	33,07,370.91	14,473.49	0.44%

66 Intra-group exposures

Particular	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 onborrowers/customers	0.00%	0.00%

67 Movement of Non Performing Assets (NPAs)

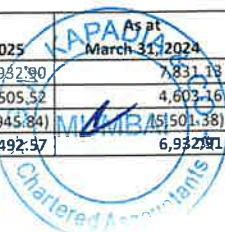
	As at March 31, 2025	As at March 31, 2024
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- (i) Net NPAs to Net Advances (%)
- (Net Advances include investment of amount ₹ in lakhs (March 31, 2025 : 87,919.73 & March 31, 2024 : 87,919.73)
(Only Stage 3 ECL is considered while computing Net Advances)

(ii) Movement of NPAs (Gross)	As at March 31, 2025	As at March 31, 2024
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)
Closing balance	33,205.80	14,473.48

(iii) Movement of NPAs (Net)	As at March 31, 2025	As at March 31, 2024
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)
Closing balance	16,713.23	7,540.60

(iv) Movement of Provision on NPAs (excluding provision on Standard Assets)	As at March 31, 2025	As at March 31, 2024
Opening balance	6,952.90	7,831.18
Additions during the year	28,505.52	4,602.16
Reductions during the year	(18,945.84)	(5,501.38)
Closing balance	16,492.57	6,932.91



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.

FY 2024-25

Asset Classification as per RBI Norms	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)
Performing Assets						
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
Subtotal		36,95,989.21	37,426.07	36,58,563.14	14,697.19	22,728.88
Non-Performing Assets (NPA)						
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
Subtotal for doubtful		7,414.05	3,100.27	4,313.78	2,132.64	967.64
Loss	Stage 3	251.47	249.00	2.47	249.00	-
Subtotal for NPA		33,205.78	16,492.57	16,713.22	4,916.67	11,575.89
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	-	-	-	-	-
Subtotal		-	-	-	-	-
	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
Total		37,29,195.02	53,918.63	36,75,276.37	19,613.86	34,304.79

FY 2023-24

Asset Classification as per RBI Norms	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)
Performing Assets						
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
Subtotal		30,58,037.73	29,900.81	30,28,136.92	12,232.15	17,668.66
Non-Performing Assets (NPA)						
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
Subtotal for doubtful		5,061.71	2,172.00	2,889.71	1,434.04	737.96
Loss	Stage 3	81.98	39.36	42.62	81.98	(42.62)
Subtotal for NPA		14,473.48	6,932.91	7,540.57	2,449.00	4,483.91
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	-	-	-	-	-
Subtotal		-	-	-	-	-
	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
Total		30,72,511.21	36,833.72	30,35,677.49	14,681.16	22,152.57

*While calculating ECL, the Credit conversion factor on undrawn commitment has been considered as a part of Exposure at Default.



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
Total Derivative Financial Instrument	200	1,71,000.00	946.00	2,360.00
Part 2 Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
<u>Fair Value Hedge</u>	Nil	Nil	Nil	Nil
Cash flow Hedge	200	1,71,000.00	946.00	2,360.00
Unhedged Derivatives	Nil	Nil	Nil	Nil
Total	200	1,71,000.00	946.00	2,360.00

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 :

ii) 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

i) 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.

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 sizable 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.



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

Sr. No	Particulars	Mar-25
		Currency Derivatives*
1)	Derivatives (Notional Principal Amount)	
	For Hedging	170950
2)	Marked to Market Positions	
	(a) Asset [+] Estimated gain	946
	(b) Liability [-] Estimated loss	2360
3)	Credit Exposure	170950
4)	Unhedged exposures	-

*Cross currency interest rate swap

 Disclosure of effects of hedge accounting
on financial position:

Particulars	Nominal Value (Rs. crore)	Carrying Amount of Hedging Instrument (Rs. 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	-1415	-1415	-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



AXIS FINANCE LIMITED
Notes forming part of financial statements 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)#
High Quality Liquid Assets									
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
Cash Outflows									
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	TOTAL CASH OUTFLOWS	1,29,621.89	1,49,065.17	1,39,835.96	1,60,811.35	1,55,179.60	1,78,456.54	1,45,315.59	1,67,112.93
Cash Inflows									
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	TOTAL CASH INFLOWS	2,70,425.42	2,02,819.07	2,80,150.78	2,10,113.09	2,66,430.96	1,99,823.22	2,58,128.56	1,93,596.42
13	TOTAL HQLA	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
14	TOTAL NET CASH OUTFLOWS	32,405.47	37,266.29	34,958.99	40,202.84	38,794.90	44,614.14	36,328.90	41,778.23
15	LIQUIDITY COVERAGE RATIO (%)	369.20%	319.78%	301.67%	260.23%	248.35%	215.41%	255.32%	221.34%

*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 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").

		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	Total	Total	Total	Total	Total	Total	Total
High Quality Liquid Assets									
1	Total High Quality Liquid Assets	91,970.57	91,686.91	54,989.87	54,705.15	56,703.98	56,419.51	90,316.79	90,035.24
Cash Outflows									
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	TOTAL CASH OUTFLOWS	1,12,018.13	1,28,820.85	1,11,375.89	1,28,082.28	1,05,068.21	1,20,828.44	1,04,007.73	1,19,608.88
Cash Inflows									
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	TOTAL CASH INFLOWS	2,46,849.94	1,85,137.46	2,33,118.54	1,74,838.90	1,62,389.80	1,21,792.35	1,55,426.37	1,16,569.77
13	TOTAL HQLA	91,970.57	91,686.91	54,989.87	54,705.15	56,703.98	56,419.51	90,316.79	90,035.24
14	TOTAL NET CASH OUTFLOWS	28,004.53	32,205.21	27,843.97	32,020.57	26,267.05	30,207.11	26,001.93	29,902.22
15	LIQUIDITY COVERAGE RATIO (%)	328.41%	284.70%	197.49%	170.84%	215.87%	186.78%	347.35%	301.10%

* 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:

1. HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible level 2 bonds.

2. Includes liquid fund balances.

3. 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.



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
Complaints received by the NBFC from its customers	-	-
1) Number of complaints pending at beginning of the year	120	48
2) Number of complaints received during the year	4424	4915
3) Number of complaints disposed during the year	4438	4843
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
Maintainable complaints received by the NBFC from Office of Ombudsman		
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)	-	-

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
2024-25					
Ground - 1(Foreclosure Related)	-	1203	-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	-	1751	-37%	36	
Total		4424		106	-
2023-24					
Ground - 1(Foreclosure Related)	-	1373	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	-	2775	30%	56	
Total		4915		120	-



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 accounts

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.



* Includes transactions with other fellow subsidiaries
 ** Maximum outstanding balance excluding interest outstanding amount.



AXIS FINANCE LIMITED

Notes forming part of financial statements 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	-	-
Total	1,748.75	-

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
Total	18.29	33.96

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
Liabilities side :				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	10,71,223.69	-	10,18,797.39	-
: 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)	-	-	-	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

Note

As defined in point 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
Assets side :				
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(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
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
(a) Lease assets including lease rentals under sundry debtors :	-	-	-	-
(i) Financial lease	-	-	-	-
(ii) Operating lease	-	-	-	-
(b) Stock on hire including hire charges under sundry debtors:	-	-	-	-
(i) Assets on hire	-	-	-	-
(ii) Repossessed Assets	-	-	-	-
(c) Other loans counting towards AFC activities	-	-	-	-
(i) Loans where assets have been repossessed	-	-	-	-
(ii) Loans other than (i) above	-	-	-	-



AXIS FINANCE LIMITED

Notes forming part of financial statements for the year ended March 31, 2025

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

(All amounts are in rupees lakhs)

84 RBI Disclosures

(5)	Break-up of Investments :	As at March 31, 2025	As at March 31, 2024
	Current Investments :		
	(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	-	-
	Long Term Investments :		
	(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	-	-
		1,53,738.29	1,55,182.96



84 RBI Disclosures

(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
Total	31,30,254.50	5,45,021.87	36,75,276.37	24,85,347.72	5,50,329.77	30,35,677.49

(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	
Total	1,58,677.86	1,53,413.05	1,53,212.00	1,54,816.28	

* 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: 1. 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.

2. 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
As per our attached report of even date
For G. M. Kapadia & Co.
Chartered Accountants

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 behalf of the board of Axis Finance Limited

Amitabh Chaudhry
Chairman
DIN No: 00531120

Sai Giridhar
Managing Director
DIN No: 10757486

Amith Iyer
Chief Financial Officer
CMA Membership No : 51849

Rajneesh Kumar
Company Secretary
Membership No: A31230
Date: April 17, 2025

