

26-04-2017

**The General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, P.J.Towers,
Dalal Street, Mumbai – 400 001.**

Sub: - Compliance under Listing Agreement for the half year ending 31st March 2017 for NCDs issued.

Dear Sir,

We refer to your letter dated April 1, 2017 on the captioned subject and submit information as required under Part I as under:

1. Credit rating: The credit rating of Axis Finance Ltd is IND AAA issued by India Ratings & Research Pvt Ltd. and CRISIL AAA/Stable by CRISIL Ltd.
2. Debt – Equity Ratio – **4.91x**
3. Previous due dates for payment of interest / principal : As per **Annexure A**, the same has been paid
4. Next due dates for payment of interest/principal: As per **Annexure B**
5. Debenture Redemption Reserve- Not Applicable
6. Net Worth- **Rs. 876.38 crores**
7. Net Profit after Tax- **Rs. 165.26 crores**
8. Earnings Per Share- **Rs. 4.07**

You are requested to take the above on record.

Thanking You,

Yours faithfully,

For Axis Finance Ltd



Authorised Signatory

For Catalyst Trusteeship Ltd

Authorised Signatory

Catalyst Trusteeship Limited

Office no -83-87, 8th Floor,
Mittal Tower, B Wing,
Nariman Point, Mumbai – 400 021

26-04-2017

Sub : - Compliance under Listing Agreement for the half year ending 31st March 2017 for NCDs issued.

Dear Sir,

We refer to your letter dated April 01, 2017 on the captioned subject and submit information as required under Part II & Part III as under:

Part II

- a) A copy of the unaudited financial results along with the limited review certificate from our statutory auditors and also the certificate of utilization from our statutory auditors are enclosed for your perusal.
- b)
 - i. Not applicable
 - ii. Not applicable
- c) The points mentioned in **section c** as per the letter are not applicable
- d) There are no material deviations as per Regulation 52(7)
- e) Not Applicable.

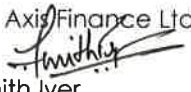
Part III

- a) The annual report copies will be submitted post approval from the shareholders in the AGM.
- b) Attached as Annexure
- c) Not Applicable
- d) Not Applicable

You are requested to take the same on record.

Yours faithfully,

For Axis Finance Ltd


Amith Iyer

Authorised Signatory

AXIS FINANCE LIMITED

Regd. Office : Axis House, C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

Tel: 022 - 2425 2525 ; Fax: 022 - 4325 5732 ; Email: info@axisfinance.in ; Website: www.axisfinance.co.in ; CIN: U65921MH1995PLC212675

Annexure B
Details of redemption & payment of interest/principal during last half year ending 31.03.2017:

(in Rs.)

Scrip Code	Type (Interest/Principal)	Due date for interest payment	Amount Payable
INE891K07036	Interest	03-Mar-17	4,87,53,000
INE891K07036	Principal	03-Mar-17	25,00,00,000
INE891K07077	Interest	09-Mar-17	44,20,000
INE891K07176	Interest	27-Nov-16	2,13,83,000
INE891K07200	Interest	29-Jan-17	88,74,000

Annexure C
Details of redemption & interest in the next half year ending 30.09.2017:

(in Rs.)

Scrip Code	Type (Interest/Principal)	Due date for interest payment	Amount Payable
INE891K07101	Interest	02-May-2017	7,59,01,056.00
INE891K07119	Interest	10-Apr-2017	3,25,70,130.00
INE891K07267	Interest	17-May-2017	85,00,000.00
INE891K08034	Interest	05-Aug-2017	17,69,64,000.00
INE891K07101	Principal	02-May-2017	38,40,00,000.00
INE891K07119	Principal	10-Apr-2017	17,00,00,000.00

Company does not expect default in payment of principal/interest due in next half year.

Annexure D
Details of Debenture Redemption Reserve: NA


INDEPENDENT AUDITORS' CERTIFICATE

The Board of Directors

Axis Finance Limited
Axis House,
C-2 Wadia International Centre,
P.B Marg, Worli,
Mumbai 400 025

Dear Sirs,

1. This certificate is issued to Axis Finance Limited (the 'Company') in terms of the Service Scope Letter ('SSL') dated 29 July, 2016.
2. The accompanying Statement contains utilization of proceeds as on 31 March 2017 from issue of non-convertible debentures ('NCDs') during the year ended 31 March 2017 (the 'Statement'), initialed by us for identification purposes.

Management's Responsibility

3. The preparation of the Statement including the preparation and maintenance of all accounting and other relevant supporting records and documents is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the conditions stated in the Information Memorandum for the NCDs issued during the year ended 31 March 2017 (the 'Information Memorandum').

Independent Auditor's Responsibility

5. It is our responsibility to provide a limited assurance on whether as on 31 March 2017, the Company has utilized the funds raised through the issue of NCDs during the year ended 31 March 2017, for the purpose as given in the Statement attached.
6. A limited assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed the following procedures in respect of the accompanying Statement:
 - a. Obtained the Information Memorandum, in respect of NCDs issued during the year ended 31 March 2017 as listed in the Statement;
 - b. Noted the purpose of issue of the NCDs, as given in the Statement, with the Information Memorandum, provided by the Company;
 - c. Traced the outflow of funds, from the bank statements provided by the Company.
 - d. Examined the utilization of funds as mentioned in the Statement, to the bank statements provided by the Company.
7. We have performed the procedures in accordance with the requirements of the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company, taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.



Certificate on utilization of proceeds from issue of non-convertible debentures

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Conclusion

9. Based on the information, explanation and management representations provided and procedures performed by us as stated in paragraph 6 above, nothing has come to our attention that causes us to believe that as on 31 March 2017, that funds raised by the Company through the issue of NCDs during the year, has not been utilized for the purpose, as given in the Statement attached.

Restriction of use

10. This certificate is solely for the purpose of submission to the debenture trustees as required by regulation 15(1A) of Securities and Exchange Board of India (Debentures Trustees) Regulations, 1993 and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. This certificate relates only to the items specified above and does not extend to any financial statements of the Company taken as a whole.

For S.R.Batlboi & Co. LLP

ICAI Firm registration number: 301003E/E300005

Chartered Accountants



per Jitendra H. Ranawat

Partner

Membership No. 103380

Place: Mumbai

Date: 10 May 2017

Statement of utilization of proceeds from non-convertible debentures (NCDs) issued during the year ended March 31, 2017

Sr. No.	Description of NCDs	Date Of Issue	Proceeds from the issue	Purpose of issuance (as per information memorandum / PAS – 4)*	Description of utilisation of funds
1	8.50%AFL 17 May 2018	17-May-2016	10,00,00,000	Long term Augmentation of Resources	<p>The object of the issue is to augment long – term resources of the company in its line of business, to repay our existing loans & business operations including for capital expenditure & working capital requirement.</p> <p>Interim use of proceeds The management of the company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.</p>
2	Zero% AFL, 27th August 2019	15 - Sept -2016	5,00,00,000	Long term Augmentation of Resources	<p>The object of the issue is to augment long – term resources of the company in its line of business, to repay our existing loans & business operations including for capital expenditure & working capital requirement.</p> <p>Interim use of proceeds The management of the company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.</p>
3	Zero% AFL, 24th September 2019	15 - Sept -2016	5,00,00,000	Long term Augmentation of Resources	<p>The object of the issue is to augment long – term resources of the company in its line of business, to repay our existing loans & business operations including for capital expenditure & working capital requirement.</p> <p>Interim use of proceeds The management of the company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.</p>

SIGNED FOR IDENTIFICATION
 BY

S.R. BATLIBOI & CO. LL
MUMBAI

AXIS FINANCE LIMITED

Regd. Office : Axis House, C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

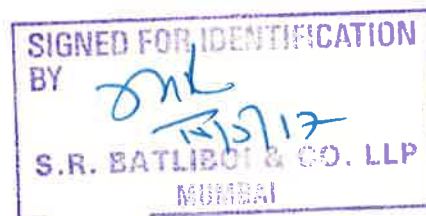
Tel: 022 - 2425 2525 ; Fax: 022 - 4325 3085 ; Email: info@axisfinance.in ; Website: www.axisfinance.co.in ; CIN: U65921MH1995PLC212675

4	Zero% AFL, 26th December 2019	15 - Sept -2016	15,00,00,000	Long term Augmentation of Resources	<p>The object of the issue is to augment long – term resources of the company in its line of business, to repay our existing loans & business operations including for capital expenditure & working capital requirement.</p> <p>Interim use of proceeds The management of the company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.</p>
5	8.80% AFL 05 AUG 2026	05 - Aug -2016	200,00,00,000	Long term Augmentation of Resources	<p>The object of the issue is to augment long – term resources of the company in its line of business, to repay our existing loans & business operations including for capital expenditure & working capital requirement.</p> <p>Interim use of proceeds The management of the company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.</p>

For Axis Finance Limited



Bipin Saraf
Managing Director
Date : 10th May 2017



AXIS FINANCE LIMITED

Regd. Office : Axis House, C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

Tel: 022 - 2425 2525 ; Fax: 022 - 4325 5732 ; Email: info@axisfinance.in ; Website: www.axisfinance.co.in ; CIN: U65921MH1995PLC212675

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Axis Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Prevention Fund by the Company;
 - iv. The Company has provided requisite disclosures in Note 57 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

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


per **Jitendra H. Ranawat**
Partner
Membership Number: 103380
Place of Signature: Mumbai
Date: 11 April 2017



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

Re: Axis Finance Limited ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, service tax, value added tax and cess which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of commercial paper, non-convertible debentures and term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the the Company or no fraud on the Company has been noticed or reported during the year.



- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jitendra H. Ranawat
Partner

Membership Number: 103380

Place: Mumbai

Date: 11 April 2017



"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AXIS FINANCE LIMITED

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

To the Members of Axis Finance Limited

We have audited the internal financial controls over financial reporting of Axis Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Axis Finance Limited, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 11, 2017 and expressed an unqualified opinion thereon.

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

per **Jitendra H. Ranawat**
Partner
Membership Number: 103380
Place of Signature: Mumbai
Date: 11 April 2017



AXIS FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

		Amount In ₹	
	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	3	4,18,25,00,000	3,68,25,00,000
Reserves and surplus	4	4,58,12,77,593	3,57,23,72,119
		8,76,37,77,593	7,25,48,72,119
Non Current Liabilities			
Long term borrowings	5	6,45,00,00,000	6,20,47,89,863
Other Non current liabilities	7	67,58,62,184	34,97,93,603
Long term provisions	8	8,40,07,375	3,90,65,845
		7,20,98,69,559	6,59,36,49,311
Current Liabilities			
Short term borrowings	6	34,21,48,05,463	19,43,56,45,103
Other current liabilities	7	2,42,75,47,497	29,31,64,924
Short term provisions	8	13,96,14,330	10,31,11,627
		36,78,19,67,290	19,83,19,21,654
Total		52,75,56,14,442	33,68,04,43,084
ASSETS			
Non Current Assets			
Fixed assets	9		
Tangible assets		49,47,822	39,96,462
Intangible assets		1,25,07,411	1,42,12,409
Capital work-in-progress		88,32,985	2,55,001
		2,62,88,218	1,84,63,872
Deferred tax asset		5,84,83,318	4,30,29,017
Non current investments	10	1,00,00,00,000	1,87,94,85,000
Long term loans and advances			
a. Loans	11	20,92,71,48,554	9,50,05,96,850
b. Others	12	9,76,43,436	3,85,67,744
Other Non current assets	11.2	1,15,72,603	2,05,25,918
		22,12,11,36,129	11,50,06,68,401
Current assets			
Current investments	10	2,80,00,00,000	53,22,71,861
Trade receivables	13.1	4,22,92,284	-
Cash and bank balances	14	5,65,09,17,425	14,57,477
Short term loans and advances			
a. Loans	11	21,99,28,34,389	21,53,55,66,872
b. Others	12	60,13,250	41,73,284
Other current assets	13.2	14,24,20,965	10,63,05,189
		30,63,44,78,313	22,17,97,74,683
Total		52,75,56,14,442	33,68,04,43,084

Summary of significant accounting policies 2.1
 The accompanying notes are forming part of financial statements
 As per our attached report of even date

For S.R. BATLIBOI & CO. LLP
 Firm Registration No.301003E/E300005
 Chartered Accountants

per 
 Jitendra H. Ranawat
 Partner
 Membership No. :- 103380
 Place: Mumbai
 Date: April 11, 2017

For and on behalf of the board of Axis Finance Limited


 Srinivasan Varadarajan
 Chairman
 DIN No : 00033882


 Amith Iyer
 Chief Financial Officer


 Bipin Kumar Saraf
 Managing Director
 DIN No : 06416744


 Rajneesh Kumar
 Company Secretary
 Membership No: A31230



AXIS FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

		Amount In ₹	
	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
Income			
Revenue from operations	15	5,75,40,07,558	3,72,98,96,108
Other income	16	32,571	-
Total income	(A)	5,75,40,40,129	3,72,98,96,108
Expenses			
Employee benefit expense	17	12,42,48,658	8,06,79,557
Finance costs	18	2,95,11,49,521	1,81,22,23,670
Provisions and write off	19	4,54,95,277	7,18,52,459
Other expenses	20	9,48,40,981	6,33,89,786
Depreciation and amortization expense	21	52,51,854	27,61,554
Total expenses	(B)	3,22,09,86,291	2,03,09,07,025
Profit before tax	(C) = (A)-(B)	2,53,30,53,838	1,69,89,89,083
Tax expense:			
Current tax		89,58,94,064	61,61,91,461
Deferred tax		(1,54,54,301)	(2,48,52,839)
Profit for the year		1,65,26,14,075	1,10,76,50,460
Earnings per equity share (Face Value Rs. 10 per share)			
Basic			
Computed on the basis of total profit for the year		4.07	3.29
Diluted			
Computed on the basis of total profit for the year		4.07	3.29

Summary of significant accounting policies 2.1
The accompanying notes forming part of financial statements
As per our attached report of even date

For S.R. BATLIBOI & CO. LLP
Firm Registration No.301003E/E300005
Chartered Accountants



per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place: Mumbai
Date: April 11, 2017



For and on behalf of the board of Axis Finance Limited



Srinivasan Varadarajan
Chairman
DIN No : 00033882



Amith Iyer
Chief Financial Officer



Bipin Kumar Saraf
Managing Director
DIN No : 06416744



Rajneesh Kumar
Company Secretary
Membership No: A31230



AXIS FINANCE LIMITED
Cash flow statement for the year ended March 31, 2017
Amount in ₹

	For the Year ending March 31, 2017	For the Year ending March 31, 2016
A. Cash flow from operating activities		
Profit before tax	2,53,30,53,838	1,69,89,89,083
Adjustments for:		
Depreciation	52,51,854	27,61,554
Profit on sale of investment	(43,70,84,301)	-
Provision against standard assets	4,54,95,277	7,18,52,459
Interest on debentures	(56,53,345)	-
Operating profit before working capital changes	2,14,10,63,323	1,77,36,03,096
Movement in working capital:		
Decrease/(increase) in long term loan & advances	(11,42,65,51,704)	(2,07,97,79,275)
Decrease/(increase) in short term loan & advances	(45,91,07,483)	(8,00,38,82,732)
Decrease/(increase) in trade receivables	(4,22,92,284)	3,07,75,120
Decrease/(increase) in other current assets	(3,61,15,776)	(8,39,79,137)
Decrease/(increase) in other non current assets	89,53,315	(1,28,85,313)
Increase/(decrease) in short term provisions	3,67,13,633	48,95,016
Increase/(decrease) in other current liabilities	2,46,04,51,154	(52,56,82,698)
Increase/(decrease) in Long term provisions	(7,64,677)	10,63,458
Cash generated from operations	(7,31,76,50,499)	(8,89,58,72,466)
Income tax paid	(96,14,69,755)	(62,71,33,689)
Net cash flow from operating activities (A)	(8,27,91,20,254)	(9,52,30,06,155)
B. Cash flow from investing activities		
Interest received on NCD	56,53,345	-
Purchase of fixed assets	(28,12,927)	(29,27,681)
Payment for Intangibles	(1,02,63,273)	(80,67,008)
Proceeds from sale of investment	10,47,04,71,56,442	2,11,16,20,09,222
Deposit withdrawal	65,00,000	-
Purchase of investment	(10,47,99,83,15,280)	(2,00,03,45,89,011)
Net cash flow from investing activities(B)	(95,20,81,693)	11,11,64,25,522
C. Cash flow from financing activities		
Proceeds from borrowings (net of repayment)	15,02,43,70,496	(1,94,10,88,217)
Proceed from issue of shares (net of issue expenses)	99,90,00,000	99,90,00,000
payment of dividend	(1,14,27,08,601)	(75,34,68,960)
Net cash flow from financing activities(C)	14,88,06,61,895	(1,69,55,57,177)
Net increase/(decrease) in cash and equivalents(A+B+C)	5,64,94,59,948	(10,21,37,810)
Cash and cash equivalents at the beginning of the year	14,57,477	10,35,95,287
Cash and cash equivalents at the end of the year	5,65,09,17,425	14,57,477

Note:	Mar 31, 2017	March 31, 2016
Cash and cash equivalents includes:		
Cash	13,271	970
Balance with banks	5,65,09,04,154	14,56,507
Bank Overdraft		
	5,65,09,17,425	14,57,477

For S.R. BATLIBOI & CO. LLP
Firm Registration No.301003E/E300005
Chartered Accountants

Jitendra H. Ranawat

per Jitendra H. Ranawat
Partner
Membership No. :- 103380
Place: Mumbai
Date: April 11, 2017



For and on behalf of the board of Axis Finance Limited

Srinivasan Varadarajan
Chairman
DIN No : 00033882

Amith Iyer
Amith Iyer
Chief Financial Officer

Bipin Kumar Saraf
Bipin Kumar Saraf
Managing Director
DIN No : 06416744

Rajneesh Kumar
Rajneesh Kumar
Company Secretary
Membership No: A31230



3. Share capital

	March 31, 2017 ₹	March 31, 2016 ₹
Authorized:		
1,00,00,00,000 (31 March 2016: 1,00,00,00,000) equity shares of ₹10/- each	10,00,00,00,000	10,00,00,00,000
Issued, subscribed and fully paid-up:		
41,82,50,000 (31 March 2016: 36,82,50,000) equity shares of ₹10/- each	4,18,25,00,000	3,68,25,00,000

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016	
	No.	₹	No.	₹
At the beginning of the year	36,82,50,000	3,68,25,00,000	31,82,50,000	3,18,25,00,000
Issued during the year	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Outstanding at the end of the year	41,82,50,000	4,18,25,00,000	36,82,50,000	3,68,25,00,000

(b) Terms/right attached to equity shares

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

(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	March 31, 2017 ₹	March 31, 2016 ₹
Axis Bank Limited, the holding Company and its nominees 41,82,50,000 (31 March 2016: 36,82,50,000) equity shares of ₹ 10/- each	4,18,25,00,000	3,68,25,00,000

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

Name of shareholder	March 31, 2017		March 31, 2016	
	No.	% of holding	No.	% of holding
Equity shares of ₹ 10 each fully paid Axis Bank Limited, the holding Company and its nominees	41,82,50,000	100%	36,82,50,000	100%

4. Reserves and surplus

	March 31, 2017 ₹	March 31, 2016 ₹
Security premium reserve		
Balance as per last Balance Sheet	1,69,90,00,000	1,20,00,00,000
Add:- Addition during the year	50,00,00,000	50,00,00,000
Less:- Utilization during the year against share issue expense	(10,00,000)	(10,00,000)
Balance at the end of the year	2,19,80,00,000	1,69,90,00,000
Statutory reserve u/s 45-IC of RBI Act		
Balance as per last Balance Sheet	52,61,00,000	30,45,00,000
Add:- Addition during the year	33,06,00,000	22,16,00,000
Balance at the end of the year	85,67,00,000	52,61,00,000
Surplus in the statement of profit and loss		
Balance as per last Balance Sheet	1,34,72,72,119	1,21,46,90,619
Profit for the year	1,65,26,14,075	1,10,76,50,460
Less:- Interim Dividend 31 March 2017 : ₹ 2.27 per share (31 March 2016 : ₹ 1.70 per share)	(94,94,27,500)	(62,60,25,000)
Less:- Tax on interim dividend	(19,32,81,101)	(12,74,43,960)
Less:- Transfer to statutory reserve	(33,06,00,000)	(22,16,00,000)
Balance at the end of the year	1,52,65,77,593	1,34,72,72,119
Total	4,58,12,77,593	3,57,23,72,119

5. Long term borrowings

	Non-current		Current maturities	
	March 31, 2017 ₹	March 31, 2016 ₹	March 31, 2017 ₹	March 31, 2016 ₹
Debentures :				
Secured	4,45,00,00,000	6,10,40,00,000	2,00,40,00,000	25,00,00,000
Indian rupee term loan from bank : Secured	-	10,07,89,863	-	-
Unsecured Subordinated Debts	2,00,00,00,000	-	-	-
Total	6,45,00,00,000	6,20,47,89,863	2,00,40,00,000	25,00,00,000

a. Security details for Secured non convertible debentures

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

b. Indian rupee term loan is secured by hypothecation of receivable of the company.



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c. Particulars of Secured non convertible debentures

Particulars	Face Value	Quantity	Maturity date	As at Mar 31, 2017	As at March 31, 2016
Zero% AFL, 20th November 2017	10,00,000	500	November 20, 2017	50,00,00,000	50,00,00,000
Zero% AFL, 3rd March 2017	10,00,000	250	March 03, 2017	-	25,00,00,000
Zero% AFL, 12th April 2018	10,00,000	150	April 12, 2018	15,00,00,000	15,00,00,000
Zero% AFL, 10th April 2018	10,00,000	200	April 10, 2018	20,00,00,000	20,00,00,000
8.84% AFL, 08th March 2018	10,00,000	50	March 08, 2018	5,00,00,000	5,00,00,000
8.7944% AFL, 24th April 2018	10,00,000	180	April 24, 2018	18,00,00,000	18,00,00,000
8.7731% AFL, 28th March 2018	10,00,000	500	March 28, 2018	50,00,00,000	50,00,00,000
Zero% AFL, 2nd May 2017	10,00,000	384	May 02, 2017	38,40,00,000	38,40,00,000
Zero% AFL, 10th April 2017	10,00,000	170	April 10, 2017	17,00,00,000	17,00,00,000
Zero% AFL, 3rd April 2018	10,00,000	350	April 03, 2018	35,00,00,000	35,00,00,000
Zero% AFL, 27th March 2018	10,00,000	150	March 27, 2018	15,00,00,000	15,00,00,000
Zero % AFL, 05 OCT 2018	10,00,000	70	Oct 05, 2018	7,00,00,000	7,00,00,000
Zero % AFL, 23 OCT 2018	10,00,000	420	Oct 23, 2018	42,00,00,000	42,00,00,000
Zero % AFL, 29 OCT 2018	10,00,000	280	Oct 29, 2018	28,00,00,000	28,00,00,000
8.53% AFL, 27th November 2017	10,00,000	250	Nov 27, 2017	25,00,00,000	25,00,00,000
8.85% AFL 29 JAN 2019	10,00,000	100	Jan 29, 2019	10,00,00,000	10,00,00,000
ZERO % AFL, 25 MAR 2019	10,00,000	1500	Mar 25, 2019	1,50,00,00,000	1,50,00,00,000
Zero % AFL, 15TH JAN 2019	10,00,000	50	Jan 15, 2019	5,00,00,000	5,00,00,000
8.79%AFL 9 TH APR 2019	10,00,000	500	Apr 9, 2019	50,00,00,000	50,00,00,000
Zero % AFL, 19TH JUL 2019	10,00,000	100	Jul 19, 2019	10,00,00,000	10,00,00,000
Zero % AFL, 25TH APRIL 2019	10,00,000	50	Apr 25, 2019	5,00,00,000	5,00,00,000
Zero % AFL, 06TH MAY 2019	10,00,000	50	May 06, 2019	5,00,00,000	5,00,00,000
Zero % AFL, 28TH JUNE 2019	10,00,000	100	June 28, 2019	10,00,00,000	10,00,00,000
8.50%AFL 17 May 2018	10,00,000	100	May 17, 2018	10,00,00,000	-
Zero% AFL, 27th August 2019	10,00,000	50	Aug 27, 2019	5,00,00,000	-
Zero% AFL, 24th September 2019	10,00,000	50	Sep 24, 2019	5,00,00,000	-
Zero% AFL, 26th December 2019	10,00,000	150	Dec 26, 2019	15,00,00,000	-
Total				6,45,40,00,000	6,35,40,00,000

d. Particulars of Unsecured non convertible debentures

Particulars	Face Value	Quantity	Maturity date	As at Mar 31, 2017	As at March 31, 2016
8.80% AFL 05 AUG 2026 (Unsecured Sub Debt)	10,00,000	200	Aug 05, 2026	2,00,00,00,000	-
Total				2,00,00,00,000	-

The above Non Convertible Debentures are classified as under:

	As at Mar 31, 2017	As at March 31, 2016
Non-current long term borrowings	6,45,00,00,000	6,10,40,00,000
Current maturities of long term borrowings	2,00,40,00,000	25,00,00,000
Total	8,45,40,00,000	6,35,40,00,000

Total Secured & Unsecured Non Convertible Debentures

8,45,40,00,000	6,35,40,00,000
-----------------------	-----------------------

6. Short term borrowings

	March 31, 2017 ₹	March 31, 2016 ₹
Secured		
Loan from banks	5,50,87,39,319	7,43,11,69,524
Unsecured		
Loan from banks	-	97,17,47,988
Unsecured commercial paper	29,05,00,00,000	11,15,00,00,000
Less: Unexpired Discount	(34,39,33,856)	(11,72,72,409)
Total	34,21,48,05,463	19,43,56,45,103

Short term borrowings amount to Rs. 5,50,87,39,319 (previous year Rs. 7,43,11,69,524) referred above are secured by pari passu first charge on all present and future book debts, receivables, loan assets of the Company. These carry interest @ 8.05% to 9.60%.

Unexpired discount on commercial paper is net of Rs. 34,39,33,856 (previous year Rs. 11,72,72,409) towards interest accrued but not due. These carry interest @ 6.65% to 8.00%. In respect of commercial paper maximum amount outstanding during the year was Rs 53,96,27,53,914 (previous year Rs. 41,45,88,98,967).

7. Other Liabilities

	Long term		Short term	
	March 31, 2017 ₹	March 31, 2016 ₹	March 31, 2017 ₹	March 31, 2016 ₹
Current maturities of long term borrowings	-	-	2,00,40,00,000	25,00,00,000
Interest accrued but not due	67,58,62,184	34,97,93,603	35,45,43,357	2,75,06,556
Creditors for expenses				
-Due to holding Company 'Axis Bank Limited'	-	-	4,44,150	70,63,752
-Due to others	-	-	6,71,76,895	82,16,785
-Undisputed statutory dues	-	-	13,83,095	3,77,831
Total	67,58,62,184	34,97,93,603	2,42,75,47,497	29,31,64,924

8. Provisions

	Long term		Short term	
	March 31, 2017 ₹	March 31, 2016 ₹	March 31, 2017 ₹	March 31, 2016 ₹
Provision against standard assets	8,37,08,594	3,80,02,387	8,80,28,442	8,82,39,372
Provision for expenses	-	-	96,15,437	15,28,062
Provision for employee benefits				
-Provision for compensated absences	2,98,781	10,63,458	12,49,781	2,39,160
-Provision for gratuity	-	-	7,20,670	1,05,033
-Employee benefit payable	-	-	4,00,00,000	1,30,00,000
Total	8,40,07,375	3,90,65,845	13,96,14,330	10,31,11,627



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AXIS FINANCE LIMITED

9. Fixed assets

Particulars	Gross block				Depreciation				Net block	
	As at April 01, 2016	Addition during the year	Deductions/A adjustments	March 31, 2017	As at April 01, 2016	Provided during the year	Deductions/ Adjustments	March 31, 2017	March 31, 2017	As at March 31, 2016
A. Tangible assets :										
Computers	41,40,823	27,46,519	-	68,87,341	9,83,110	14,76,946	-	24,60,056	44,27,286	31,57,713
Office equipment	3,05,693	66,408	-	3,72,101	2,72,612	75,063	-	3,47,675	24,426	33,081
Furniture & fixtures	1,00,223	-	-	1,00,223	25,988	10,022	-	36,010	64,213	74,235
Vehicles	6,51,427	-	6,51,427	-	3,59,556	2,91,871	6,51,427	0	0	2,91,871
Land and Building	4,50,000	-	-	4,50,000	10,438	7,665	-	18,103	4,31,897	4,39,562
Total - Tangible Assets (A)	56,48,166	28,12,927	6,51,427	78,09,665	16,51,704	18,61,567	6,51,427	28,61,843	49,47,822	39,96,462
B. Intangible Assets :										
Software	1,58,14,456	16,85,289	-	1,74,99,745	16,02,047	33,90,287	-	49,92,334	1,25,07,411	1,42,12,409
Total - Intangible Assets (B)	1,58,14,456	16,85,289	-	1,74,99,745	16,02,047	33,90,287	-	49,92,334	1,25,07,411	1,42,12,409
Total (A+B)	2,14,62,622	44,98,215	6,51,427	2,53,09,410	32,53,751	52,51,854	6,51,427	78,54,177	1,74,55,233	1,82,08,871
Capital Work-in-Progress									88,32,985	2,55,001
Total									2,62,88,218	1,84,63,872

Amount in ₹



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10. Investment

	Non current		Current Maturities	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Investment in debenture/bonds (valued at cost unless stated otherwise)				
<u>Quoted</u>				
NIL (Previous year 110) Annapurna Microfinance Private Limited (redeemable on 15 April 2016)	-	-	-	25,18,106
NIL (Previous year 110) Arohan Financial Services Private Limited (redeemable on 15 April 2016)	-	-	-	24,77,841
NIL (Previous year 66) Asirvad Micro Finance Private Limited (redeemable on 15 April 2016)	-	-	-	15,10,863
NIL (Previous year 500) Dalmia Bharat Cement Limited	-	90,00,00,000	-	-
NIL (Previous year 100) Disha Microfin Private Limited (redeemable on 15 April 2016)	-	-	-	21,79,200
NIL (Previous year 110) Future Financial Services Ltd (redeemable on 15 April 2016)	-	-	-	23,97,120
NIL (Previous year 78) India School Finance Company (redeemable on 15 April 2016)	-	-	-	17,85,566
NIL (Previous year 77) Intrepid Finance and Leasing Private Limited (redeemable on 15 April 2016)	-	-	-	17,90,769
NIL (Previous year 110) Pahal Financial Services (redeemable on 15 April 2016)	-	-	-	25,18,106
NIL (Previous year 132) Suryoday Microfinance Private Limited (redeemable on 15 April 2016)	-	-	-	28,27,995
NIL (Previous Year NIL) NCD - DCB Power Ventures Ltd(redeemable on 30 September 2018)	-	15,00,00,000	-	-
NIL (Previous Year NIL) NCD - DCB Power Ventures Ltd(redeemable on 30 September 2019)	-	15,00,00,000	-	-
NIL (Previous Year NIL) NCD - DCB Power Ventures Ltd(redeemable on 30 September 2020)	-	15,00,00,000	-	-
NIL (Previous Year NIL) NCD - DCB Power Ventures Ltd(redeemable on 30 September 2021)	-	15,00,00,000	-	-
NIL (Previous Year NIL) NCD - DCB Power Ventures Ltd(redeemable on 30 September 2022)	-	15,00,00,000	-	-
NIL (Previous year 99) SV Creditline Private Limited (redeemable on 15 April 2016)	-	-	-	22,66,295
NIL (Previous year 4,420) 8.67% National Hydroelectric Power Corporation (redeemable on 02 November 2033)	-	44,20,000	-	-
NIL (Previous year 767) 8.67% Power Finance Corporation Limited (redeemable on 16 November 2033)	-	7,67,000	-	-
NIL (Previous year NIL) 7.35% Indian Railway Finance Corporation Limited (redeemable on 22 March 2031)	-	12,10,93,000	-	-
NIL (Previous year NIL) 7.35% National Bank For Agriculture And Rural Development (redeemable on 23 March 2031)	-	10,32,05,000	-	-
<u>Unquoted</u>				
NIL (Previous year 760) Azalea Enterprises Private Limited (redeemable on 16 March 2019)	-	-	-	51,00,00,000
1000 (Previous year NIL) 11.28% Reliance Big Entertainment Pvt Ltd 2019 (redeemable on 26 April 2019)	1,00,00,00,000	-	-	-
Investment in Mutual funds (valued at lower of cost or market value)				
<u>Unquoted</u>				
Axis Liquid Fund - (Direct Growth (CF - DG)	-	-	1,80,00,00,000	-
Kotak Mutual Fund (Liquid Direct Plan Growth)	-	-	1,00,00,00,000	-
Total	1,00,00,00,000	1,87,94,85,000	2,80,00,00,000	53,22,71,861

1. Aggregate amount of quoted investment at market value NIL (Previous year Rs. 1,93,67,60,312).
 2. Aggregate amount of unquoted investments at cost Rs. 3,80,00,00,000 (Previous year 51,00,00,000).

11. Loans

	Non current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Secured loans	20,92,71,48,554	9,50,05,96,850	19,88,52,29,368	19,83,55,66,872
Unsecured loans	-	-	2,10,76,05,021	1,70,00,00,000
Total	20,92,71,48,554	9,50,05,96,850	21,99,28,34,389	21,53,55,66,872
The classification of loans under RBI guidelines is as under:				
			March 31, 2017	March 31, 2016
			₹	₹
(i) Standard assets			42,91,99,82,943	31,03,61,63,722
(ii) Sub-standard assets			-	-
(iii) Doubtful assets			-	-
(iv) Loss assets			-	-
Total **			42,91,99,82,943	31,03,61,63,722
The above Loans are classified as under:				
			As at Mar 31, 2017	As at March 31, 2016
Non-current secured loans			20,92,71,48,554	9,50,05,96,850
Current secured and unsecured loans			21,99,28,34,389	21,53,55,66,872
Total			42,91,99,82,943	31,03,61,63,722

**Loans to the extent of ₹ 40,81,23,77,923 (previous year ₹ 29,33,61,63,722) are secured by:

- (i) Hypothecation of assets and/or
 (ii) Mortgage of property and/or
 (iii) The Company has also taken corporate guarantee/personal guarantee of corporate/directors in certain cases over and above of security (disclosed above).
 (iv) Pledge of shares & other financial securities.

12. Others

	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Other loans and advances				
Security deposits, unsecured, considered good	-	65,00,000	-	-
Advance tax (net of provision for tax)	9,76,43,436	3,20,67,744	-	-
Prepaid expenses	-	-	35,42,364	41,48,297
Other advances	-	-	24,70,886	24,987
Total	9,76,43,436	3,85,67,744	60,13,250	41,73,284



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13. Trade receivables and other assets

13.1 Trade receivables

	Non-current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
Provision for doubtful receivables	-	-	-	-
(A)	-	-	-	-
Outstanding for a period less than six months from the date they are due for payment	-	-	4,22,92,284	-
Unsecured, considered good	-	-	4,22,92,284	-
Doubtful	-	-	-	-
Provision for doubtful receivables	-	-	-	-
(B)	-	-	4,22,92,284	-
Total (A) + (B)	-	-	4,22,92,284	-

13.2 Other assets

	Non current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Interest accrued but not due on others	1,15,72,603	2,05,25,918	14,24,20,965	10,63,05,189
Total	1,15,72,603	2,05,25,918	14,24,20,965	10,63,05,189

14. Cash and bank balances

	Non current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	₹	₹	₹	₹
Cash and cash equivalents:				
- Cash on hand	-	-	13,271	970
Balances with banks:				
- On current accounts	-	-	5,59,92,10,088	14,56,507
- On overdraft accounts	-	-	5,16,94,066	-
- Deposits with original maturity for less than 3 months	-	-	-	-
A	-	-	5,65,09,17,425	14,57,477
Other bank balances				
- Deposits with original maturity for more than 12 months	-	-	-	-
- Deposits with original maturity for more than 12 months under lien	-	-	-	-
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
- Deposits with original maturity for more than 3 months but less than 12 months under lien	-	-	-	-
B	-	-	-	-
Total	-	-	5,65,09,17,425	14,57,477

15. Revenue from operations

	For the period	For the year ended
	ending Mar 31, 2017	March 31, 2016
	₹	₹
Interest income		
Interest income on loans	4,48,71,20,516	3,08,44,50,051
Interest income on investments	22,69,22,341	16,90,98,718
Other operating revenue		
Income from processing fees	59,76,69,783	33,69,33,915
Income from advisory fees	52,09,067	6,15,00,000
Profit on sale of investments	43,70,85,851	7,79,13,424
Total	5,75,40,07,558	3,72,98,96,108

16. Other income

	For the period	For the year ended
	ending Mar 31, 2017	March 31, 2016
	₹	₹
Profit on sale of Vehicle	32,571	-
Total	32,571	-

17. Employee benefits expense

	For the period	For the year ended
	ending Mar 31, 2017	March 31, 2016
	₹	₹
Salaries, Wages and Bonus	11,91,73,963	7,72,53,743
Contribution to provident & other funds	26,33,334	20,41,668
Gratuity Expense (Refer Note 28)	6,15,637	1,05,033
Staff welfare	18,25,724	12,79,114
Total	12,42,48,658	8,06,79,557



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18. Finance costs

	For the period ending Mar 31, 2017	For the year ended March 31, 2016
	₹	₹
Interest on loan from bank and other financial expenses	2,91,00,48,562	1,79,21,98,974
Other finance expenses	4,11,00,959	2,00,24,696
Total	2,95,11,49,521	1,81,22,23,670

19. Provisions and write off

	For the period ending Mar 31, 2017	For the year ended March 31, 2016
	₹	₹
Provision against standard assets	4,54,95,277	7,18,52,459
Total	4,54,95,277	7,18,52,459

20. Other expenses

	For the period ending Mar 31, 2017	For the year ended March 31, 2016
	₹	₹
Rent, Rates and Taxes	98,76,579	1,00,88,800
Electricity expenses	9,31,129	9,73,299
Repairs and maintenance - others	11,95,957	21,54,075
Printing and stationery	7,48,322	3,35,391
Travelling and conveyance	1,53,07,252	69,82,874
Professional fees	2,34,87,462	1,17,90,130
CSR expenditure (Refer Note 56)	2,25,20,176	1,22,24,577
Director sitting fees	26,00,000	17,00,000
Auditor Remuneration :		
Statutory audit & Limited review	19,50,000	17,50,000
Statutory audit certification fee	3,00,000	3,00,000
Telephone and internet expenses	21,87,824	17,34,873
Business promotion	21,68,351	14,76,947
Rates & taxes	6,40,012	6,07,939
Service charges	16,07,772	18,53,284
Office expenses	17,01,912	14,14,777
Miscellaneous expenses	76,18,233	80,02,820
Total	9,48,40,981	6,33,89,786

21. Depreciation and amortization expense

	For the period ending Mar 31, 2017	For the year ended March 31, 2016
	₹	₹
Tangible assets	18,61,567	12,11,479
Intangible assets	33,90,287	15,50,075
Total	52,51,854	27,61,554



Notes forming part of financial statements for the year ended March 31, 2017

1. Corporate information

Axis Finance Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is a non-deposit accepting non-banking finance Company or NBFC-ND-SI registered with Reserve Bank of India (RBI). The Company is engaged in the business of financing of loans.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The Company follows the prudential norms issued by Reserve Bank of India for asset classification, income recognition and provisioning for non-performing assets. Besides, additional amount is written/off provided for where the management, on a review, considers it necessary.

2.1 Summary of significant accounting policies

I. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

II. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a. Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by RBI.
- b. Income on discounted instruments is recognised over the tenure of the instrument on a straight-line method.
- c. Dividend is accounted when the right to receive is established.
- d. Front end fees on processing of loans are recognised upfront as income.
- e. Profit/(loss) earned on sale of investments is recognised on trade date basis. Profit/(loss) on sale of investments is determined based on the 'weighted average' cost for investments.
- f. All other fees are recognized when reasonable right of recovery is established, revenue can be reliably measured as and when they become due.
- g. Other revenue is recognized on accrual basis and no significant uncertainty exists as to its realization or collection.



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III. Tangible and intangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets 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 and loss when the asset is derecognized.

IV. Depreciation and amortization

Depreciation and amortization on fixed assets is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The Company has used below estimated useful lives to provide depreciation and amortization on its fixed assets.

Assets	Estimated Useful Life (in years)
Tangible Assets:	
Computers	3
Servers	6
Furniture & Fixtures	10
Office Equipment	5
Vehicles	4
Intangible Assets:	
Software	5

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

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

V. Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



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An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

VI. Loans

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made at rates as prescribed by the RBI.

VII. Provisioning / write-off of assets

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Provision against loans and advances:

Provision on Standard Assets i.e. loans and advances is made at 0.40%.

VIII. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for investments' as notified under the Companies (Accounting Standards) Rules, 2006 . All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

IX. Borrowing costs

Borrowing costs directly attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged to the statement of Profit and Loss.



X. Taxes on income

- a. Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- c. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- d. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- e. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes virtually certain, as the case may be, that sufficient future taxable income will be available.
- f. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

XI. Retirement and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. 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. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the year end. The



Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date

XII. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

XIII. Contingent liabilities and provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the 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 a 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 statements.

XIV. Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

XV. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and on hand, fixed deposits and short-term highly liquid investments with an original maturity of three months or less are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalent does not include fixed deposit which is lien marked against borrowing.



22. Estimated amount of contracts remaining to be executed on capital account – ₹57,86,686 (Previous Year ₹26,99,014).
23. There is no contingent liability as at March 31, 2017 (previous year ₹ Nil).
24. There are no restructured loans as at March 31, 2017 (previous year ₹ Nil).
25. Basic and Diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS) 20 “Earnings per share”

Particulars		2016 – 2017 ₹	2015 – 2016 ₹
Basic			
Profit after tax as per Statement of Profit and Loss	A	1,65,26,14,075	1,10,76,50,460
Weighted Average Number of Shares	B	40,63,32,192	33,68,29,235
Basic Earnings per share	A/B	4.07	3.29
Diluted			
Adjusted Profit after tax	C	1,65,26,14,075	1,10,76,50,460
Weighted Average Number of Shares	D	40,63,32,192	33,68,29,235
Diluted Earnings per share	C/D	4.07	3.29
Nominal Value per share		10	10

26. Segment Information :

The Company is engaged primarily in the business of financing of loans and its business operations are concentrated in India. Accordingly, there are no separate business segments and geographical segments as per Accounting Standard 17 - Segment Reporting issued by The Institute of Chartered Accountants of India.

27. Related Parties disclosure:

Disclosure in respect of Related Parties pursuant to Accounting Standard – 18:

List of Related Parties:-

Parties where control exists: Holding Company

Axis Bank Limited (“ABL”)

Fellow subsidiaries companies

Axis Private Equity Limited (“APEL”)

Axis Securities Limited (“ASL”)

Axis Mutual Fund Trustee Limited (“AMFTL”)

Axis Trustee Services Limited (“ATSL”)

Axis Asset Management Company Limited (“AAMCL”)

Axis Bank U.K. Limited (“ABUKL”)

Axis Capital Limited (“ACL”)

Axis Securities Europe Limited (“ASEL”)

A. Treds Limited (“ATL”)

Key management person

Mr. Bipin K Saraf, MD




Transactions with related parties

Particulars	Holding Company ₹	Fellow Subsidiary ₹	Key Management Personnel ₹	Total ₹
Income				
Processing fees (ABL)	22,51,80,460 (9,88,77,989)	- (-)	- (-)	22,51,80,460 (9,88,77,989)
Capital Receipts and Payments				
Commercial Paper Issued (ABL)	1,47,32,40,000 (-)	- (-)	- (-)	1,47,32,40,000 (-)
Issue of Equity Share Capital (Including Share premium) (ABL)	1,00,00,00,000 (1,00,00,00,000)	- (-)	- (-)	1,00,00,00,000 (1,00,00,00,000)
Non-Convertible Debentures (ABL)	2,00,00,00,000 (-)	- (-)	- (-)	2,00,00,00,000 (-)
Expenses				
Dividend Paid (ABL)	94,94,27,500 (62,60,25,000)	- (-)	- (-)	94,94,27,500 (62,60,25,000)
Rent paid (ABL)	96,94,579 (96,12,300)	- (-)	- (-)	96,94,579 (96,12,300)
Rent paid (ASL)	- (-)	3,42,000 (2,56,500)	- (-)	3,42,000 (2,56,500)
Bank charges (ABL)	24,787 (8,774)	- (-)	- (-)	24,787 (8,774)
NACH charges (ABL)	403 (-)	- (-)	- (-)	403 (-)
Reimbursement of staff cost (ABL)	2,98,88,767 (2,90,80,849)	- (-)	- (-)	2,98,88,767 (2,90,80,849)
Interest paid on borrowings (ABL)	4,91,04,278 (1,81,02,981)	- (-)	- (-)	4,91,04,278 (1,81,02,981)
Internet charges paid (ASL)	- (-)	88,750 (1,12,738)	- (-)	88,750 (1,12,738)
Demat Charges (ASL)	- (-)	55,745 (59,319)	- (-)	55,745 (59,319)
Demat Charges (ABL)	81,202 (20,242)	- (-)	- (-)	81,202 (20,242)
Professional fees (ATSL)	- (-)	7,50,000 (10,00,000)	- (-)	7,50,000 (10,00,000)
Salary, Rent and contribution to PF	- (-)	- (-)	1,45,33,609 (1,11,28,033)	1,45,33,609 (1,11,28,033)
Service charges (ACL)	- (-)	13,80,615 (12,80,492)	- (-)	13,80,615 (12,80,492)
Brokerage paid (ASL)	- (-)	210,853 (-)	- (-)	210,853 (-)



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IPA commission charges paid (ABL)	11,20,000	-	-	11,20,000
	(-)	(-)	(-)	(-)
Retainership fees reimbursement (ABL)	24,000	-	-	24,000
	(-)	(-)	(-)	(-)
Service charges other – IT Service fees (ABL)	42,069	-	-	42,069
	(-)	(-)	(-)	(-)
Referral fees (ABL)	16,796	-	-	16,796
	(-)	(-)	(-)	(-)
Arrangership fees (ABL)	72,00,000	-	-	72,00,000
	(-)	(-)	(-)	(-)
Escrow fees (ABL)	3,69,500	-	-	3,69,500
	(-)	(-)	(-)	(-)
Other Reimbursement of Expenses (ABL)	60,14,552	-	-	60,14,552
	(60,06,909)	(-)	(-)	(60,06,909)
Closing Balance				
Share Capital (ABL)	4,18,25,00,000	-	-	4,18,25,00,000
	(3,68,25,00,000)	(-)	(-)	(3,68,25,00,000)
Non-Convertible Debentures (ABL)	56,10,00,000	-	-	56,10,00,000
	-	-	-	-
Short term borrowings (ABL)	-	-	-	-
	(97,17,47,988)	(-)	(-)	(97,17,47,988)
LOC Account Balance (ABL)	5,16,94,066	-	-	5,16,94,066
	(-)	(-)	(-)	(-)
Current account balance (ABL)	4,80,31,15,137	-	-	4,80,31,15,137
	(10,35,813)	(-)	(-)	(10,35,813)
Processing fees Receivable (ABL)	4,20,22,764	-	-	4,20,22,764
	(-)	(-)	(-)	(-)
Sundry payables (ABL)	4,44,150	-	-	4,44,150
	(70,63,752)	(-)	(-)	(70,63,752)
Sundry payables (ASL)	-	94,834	-	94,834
	(-)	(44,159)	(-)	(44,159)

Note: -

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



28. Gratuity and other benefit plans

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

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

Net employee benefit expense (recognized in employee cost)*:

	2016-17 (₹)	2015-16 (₹)
Current service cost	3,94,608	3,09,318
Interest cost on benefit obligation	2,48,688	2,15,371
Expected return on plan assets	(2,40,327)	(1,50,243)
Net actuarial (gain)/loss recognized in the year	2,12,668	(2,69,041)
Past service cost	-	-
Transferred from group Company	-	-
Net benefit expense/(income)	6,15,637	1,05,405

Provision for gratuity recognized in Balance Sheet*:

	2016-17 (₹)	2015-16 (₹)
Projected benefit obligation	(39,12,342)	(31,24,216)
Fair value of plan assets	31,91,672	30,19,183
Less: Unrecognised past service cost	-	-
Plan liability	7,20,670	1,05,033

Actual return on plan assets

	2016-17 (₹)	2015-16 (₹)
Expected return on plan assets	2,40,327	1,50,243
Actuarial gains/(losses) on plan assets	(67,838)	1,59,501
Actual Return on plan assets	1,72,489	3,09,744

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

	2016-17 (₹)	2015-16 (₹)
Opening projected benefit obligation	31,24,216	27,09,067
Interest cost	2,48,688	2,15,371
Current service cost	3,94,608	3,09,318
Liability transferred in	-	-
Actuarial (gains)/losses on obligation	1,44,830	(1,09,540)
Closing projected benefit obligation	39,12,342	31,24,216



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

	2016-17 (₹)	2015-16 (₹)
Opening fair value of plan assets	30,19,183	18,89,844
Expected return	2,40,327	1,50,243
Contributions by employer	-	8,19,595
Benefits paid	-	-
Actuarial gains/(losses)	(67,838)	1,59,501
Closing fair value of plan assets	31,91,672	30,19,183

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

	March 31, 2017	March 31, 2016
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*:

	2016-17	2015-16
Discount rate	7.39%	7.96%
Expected rate of return on assets	7.39%	7.96%
Employee turnover	5.00%	5.00%
Salary escalation rate	7.00%	7.00%

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

Amounts for the current and previous four periods are as follows:

	2016-17 (₹)	2015-16 (₹)	2014-15 (₹)	2013-14 (₹)	2012-13 (₹)
Projected benefit obligation	39,12,342	31,24,216	27,09,067	18,70,934	-
Plan assets	31,91,672	30,19,183	18,89,844	2,49,457	-
(Surplus) /deficit	7,20,670	1,05,033	8,19,223	16,21,477	-
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

29. Deferred taxation:

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" (AS 22), the Company has accounted for deferred taxes during the year. Deferred tax comprises of timing difference on account of following:-

Deferred Tax Asset/(Liability)	2016-17 (₹)	2015-16 (₹)
Depreciation	(14,87,361)	(11,11,541)
Provision for leave encashment	5,35,926	4,50,810
Contingent provision on standard assets	5,94,34,753	4,36,89,748
Total	5,84,83,318	4,30,29,017



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30. Information related to Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no outstanding balance due to such parties at year end. (Previous year ₹ Nil).

31. Foreign currency expenditure and foreign currency income during the year was Nil (Previous year Nil).

32. Capital to Risk-Asset Ratio (CRAR)

Sl. No.	Items	2016-17	2015-16
(i)	CRAR (%)	23.15%	21.81%
(ii)	CRAR- Tier I Capital (%)	18.52%	21.43%
(iii)	CRAR- Tier II Capital (%)	4.63%	0.38%
(iv)	Amount of subordinated debt raised as Tier-II capital	₹2,00,00,00,000	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

33. Exposure to Real Estate Sector

Particulars	2016-17 ₹	2015-16 ₹
a) Direct Exposure		
(i) Residential Mortgages	51,85,87,007	26,43,32,865
(ii) Commercial Real Estate	10,24,28,53,996	9,61,87,73,555
(iii) Investment in Mortgage Backed Securities(MBS) and other securitised exposures-		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
b) Indirect Exposure	-	-
Total Exposure to Real Estate Sector	10,76,14,41,003	9,88,31,06,420

34. No frauds have been reported during the current year and previous year.

35. The Company has not entered into any derivative transaction (including forward rate agreement /interest rate swap/ Exchange Traded Interest Rate (IR) Derivatives) during the current year and previous year and there is no outstanding derivative transaction as on 31 March 2017 and 31 March 2016 respectively.

36. There has not been any limit exceeded for single borrower limit and group borrower limit by the Company in current year and previous year.

37. There are no advances/projects financed by the Company wherein intangible security such as rights, licences, authorizations etc. are charged as collateral.

38. There are no registrations obtained from other financial sector regulator (other than RBI) by the Company in current year and previous year.

39. There have not been any penalties imposed by RBI and other regulators on the Company in current year and previous year.



40. India Ratings and Research Private Limited and CRISIL Limited have accredited the following ratings to the Company.

Name of Rating Agency	Type	Ratings	Amount (₹ in crores)	Tenure	Validity
India Ratings and Research Private Limited	Long term	IND AAA	1,200	-	Yearly Surveillance
	Short term	IND A1+	7,000	12 months	31 st January 2018
CIRISIL Limited	Long term	CRISIL AAA/Stable	2,000	-	Yearly Surveillance
	Short term	CIRISIL A1+	8,000	12 months	25 th August, 2017

41. During the year, the holding company issued stock options to certain employees of the holding company who are on deputation with the Company. Since these stock options are issued by the holding company directly to the employees of the holding company, and the related costs, if any, will be borne by the holding company, no provision is made in the accompanying financials statements.



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

Financial year 2016-17

Particulars	Upto 30-31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Deposit	-	-	-	-	-	-	-	-	-
Advances	2,50,93,71,517	79,99,23,807	3,36,25,21,149	4,90,49,25,672	10,41,60,92,244	14,06,95,08,061	6,85,76,40,494	-	42,91,99,82,944
Investments	2,80,00,00,000	-	-	-	-	1,00,00,00,000	-	-	3,80,00,00,000
Borrowings	13,89,75,22,927	9,83,88,39,815	6,90,73,38,370	4,12,51,04,351	1,45,00,00,000	4,45,00,00,000	-	2,00,00,00,000	42,66,88,05,463
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Financial year 2015-16

Particulars	Upto 30-31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Deposit	-	-	-	-	-	-	-	-	-
Advances	1,63,23,36,996	38,74,03,899	2,57,25,10,851	3,88,32,70,771	13,23,43,26,409	7,68,63,56,463	1,63,99,58,333	-	31,03,61,63,722
Investments	2,22,71,861	-	-	-	51,00,00,000	15,00,00,000	1,20,00,00,000	52,94,85,000	2,41,17,56,861
Borrowings	11,89,65,59,897	5,08,68,01,135	1,96,35,73,157	48,87,10,914	25,00,00,000	5,40,47,89,863	80,00,00,000	-	25,89,04,34,966
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-



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43. Investments

		(Amount in ₹)	
Particulars		2016-17	2015-16
(1)	Value of Investments		
	(i)	Gross Value of Investments	
	(a)	In India	3,80,00,00,000
	(b)	Outside India,	-
	(ii)	Provisions for Depreciation	
	(a)	In India	-
	(b)	Outside India,	-
	(iii)	Net Value of Investments	
	(a)	In India	3,80,00,00,000
	(b)	Outside India.	-
(2)	Movement of provisions held towards depreciation on investments.		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

44. 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.

45. The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction and also not undertaken any assignment transactions during the current year and previous year.

46. The Company has not purchased/sold any non performing financial assets during the current year and previous year.

47. There has not been any financing of parent Company products by the Company during the current year and previous year.



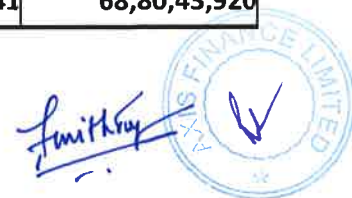
48. Exposure to Capital Market

		(Amount in ₹)	
Particulars		2016-17	2015-16
(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;	-	-
(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;	7,37,72,31,208	4,52,96,18,738
(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;	17,00,32,29,872	11,68,90,08,857
(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;	7,68,00,692	41,03,563
(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)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		24,45,72,61,772	16,22,27,31,158

49. Provisions and Contingencies

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

Particulars	2016-17 ₹	2015-16 ₹
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	89,58,94,064	61,61,91,461
Other Provisions and Contingencies	-	-
Provision for Standard Assets	4,54,95,277	7,18,52,459
Total	94,13,89,341	68,80,43,920



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

51. Concentration of Advances

Particulars	2016-17 (₹)	2015-16(₹)
Total Advances to Twenty Largest Borrowers	19,21,70,72,623	15,90,72,50,116
Percentage of Advances to Twenty Largest Borrowers to Total Advances	44.76%	51.25%

52. Concentration of Exposures

Particulars	2016-17(₹)	2015-16(₹)
Total Exposure to Twenty Largest Borrowers / customers	20,43,61,65,992	17,09,43,57,453
Percentage of Exposures to Twenty Largest Borrowers / Customers to Total Exposure of Axis Finance on borrowers / customers	37.13%	43.68%

53. There are no NPAs of the Company for the current year as well as previous year.

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

55. Customer Complaints

	Particulars	2016-17	2015-16
(a)	No. of complaints pending at the beginning of the year	NIL	NIL
(b)	No. of complaints received during the year	NIL	NIL
(c)	No. of complaints redressed during the year	NIL	NIL
(d)	No. of complaints pending at the end of the year	NIL	NIL

56. Amount Spent towards Corporate Social Responsibility (CSR)

	Particulars	2016-17 ₹		2015-16 ₹	
		In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
a)	Gross amount required to be spent by the company during the year	2,25,20,176		1,22,24,577	
b)	Amount spent during the year ending on 31 st March:				
(i)	Construction/acquisition of any asset	-	-	-	-
(ii)	On purposes other than (i) above	2,25,20,176	-	1,22,24,577	-



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57. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

	SBNs (₹)	Other denomination notes(₹)	Total(₹)
Closing cash in hand as on 08.11.2016	14,500	1,378	15,878
(+) Permitted receipts	-	20,000	20,000
(-) Permitted payments	-	(2,968)	(2,968)
(-) Amount deposited in Banks	(14,500)	-	(14,500)
Closing cash in hand as on 30.12.2016	-	18,410	18,410

58. Details of Auditors Remuneration


Particulars	2016-17(₹)	2015-16(₹)
For Statutory Audit and Limited Review	19,50,000	17,50,000
For Certification Services	3,00,000	3,00,000
	22,50,000	20,50,000

59. On 4th July 2016, the Board of Directors of the Company had approved the acquisition of Axis Private Equity Limited, a wholly owned subsidiary of the Bank. As per the Scheme, Company will issue the shares to Axis Bank Ltd for acquisition of Axis Private Equity Limited. The appointed date of acquisition is 1st April, 2016, and the parties shall proceed with filing the Scheme and other necessary documents with the relevant High Courts and other regulatory authorities for their approval. Pending the requisite approval, no effect of acquisition has been given in the books.

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

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

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
Firm Registration No.301003E/E300005


per **Jitendra H. Ranawat**
Partner
Membership No.:- 103380
Date: April 11, 2017



For and behalf of the board of Axis Finance Limited


Srinivasan Varadarajan
Chairman
DIN No: 00033882


Amith Iyer
Chief Financial Officer


Bipin Kumar Saraf
Managing Director
DIN No: 06416744


Rajneesh Kumar
Company Secretary
Membership No: A31230



Notes forming part of financial statements for the year ended March 31, 2017

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

		(₹)		(₹)	
		Amount outstanding as at March 31, 2017	Amount overdue as at March 31, 2017	Amount outstanding as at March 31, 2016	Amount overdue as at March 31, 2016
Liabilities side :					
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	7,36,92,24,687	-	6,73,13,00,159	-
	: Unsecured (other than falling within the meaning of public deposits*)	2,11,51,80,854	-	-	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	10,07,89,863	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	28,70,60,66,144	-	11,03,27,27,591	-
	(f) Public Deposits*	-	-	-	-
	(f) Other Loans (Bank's Line of Credit)	5,50,87,39,319	-	8,40,29,17,512	-
*Please see Note 1 below					
(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	-	-	-	-
*Please see Note 1 below					
Assets side :					
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
	(a) Secured	40,81,23,77,923	-	29,33,61,63,722	-
	(b) Unsecured	2,10,76,05,021	-	1,70,00,00,000	-
(4)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
	(i) Lease assets including lease rentals under sundry debtors :	-	-	-	-
	(a) Financial lease	-	-	-	-
	(b) Operating lease	-	-	-	-
	(ii) Stock on hire including hire charges under sundry debtors:	-	-	-	-
	(a) Assets on hire	-	-	-	-
	(b) Repossessed Assets	-	-	-	-
	(iii) Other loans counting towards AFC activities	-	-	-	-
	(a) Loans where assets have been repossessed	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-



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AXIS FINANCE LIMITED

(5)	Break-up of Investments :	As at March 31, 2017 (₹)	As at March 31, 2016(₹)
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	2,22,71,861
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	51,00,00,000
	(iii) Units of mutual funds	2,80,00,00,000	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	1,87,94,85,000
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	1,00,00,00,000	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
		3,80,00,00,000	2,41,17,56,861



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AXIS FINANCE LIMITED

Borrower group-wise classification of assets financed as in (3) and (4) above :							
(6) Please see Note 2 below							
Category	Amount (₹) net of provisions as at March 31, 2017			Amount (₹) net of provisions as at March 31, 2016			
	Secured	Unsecured	Total	Secured	Unsecured	Total	
1. Related Parties **							
(a) Subsidiaries	-	-	-	-	-	-	
(b) Companies in the same group	-	-	-	-	-	-	
(c) Other related parties	-	-	-	-	-	-	
2. Other than related	40,81,23,77,923	2,10,76,05,021	42,91,99,82,944	29,33,61,63,722	1,70,00,00,000	31,03,61,63,722	
Total	40,81,23,77,923	2,10,76,05,021	42,91,99,82,944	29,33,61,63,722	1,70,00,00,000	31,03,61,63,722	

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):					
(7) Please see note 3 below					
Category	Market Value / Break up or fair value or NAV* as at March 31, 2017(₹)	Book Value (Net of Provisions) as at March 31, 2017(₹)	Market Value / Break up or fair value or NAV* as at March 31, 2016(₹)	Book Value (Net of Provisions) as at March 31, 2016(₹)	
1. Related Parties **					
(a) Subsidiaries	-	-	-	-	
(b) Companies in the same group	-	-	-	-	
(c) Other related parties	-	-	-	-	
2. Other than related parties	3,86,06,49,516	3,80,00,00,000	2,50,30,65,085	2,41,17,56,861	
Total	3,86,06,49,516	3,80,00,00,000	2,50,30,65,085	2,41,17,56,861	



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AXIS FINANCE LIMITED

* Disclosure is made in respect of available information

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information		2016-17	2015-16
	Particulars	Amount (₹)	Amount(₹)
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	-
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	-
(iii)	Assets acquired in satisfaction of debt	-	-

Notes :

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding and Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.
3. All 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 (4) above.



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