

No. CTL/DEB/20-21/Noting Certificate/298

May 30, 2020

To Whomsoever It May Concern,

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Axis Finance Ltd** (“**the Company**”) for the Half year ended March 31, 2020.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For **Catalyst Trusteeship Limited**

For CATALYST TRUSTEESHIP LIMITED

Authorised Signatory

Authorised Signatory

Encl: Results submitted by Company



Independent Auditor's Report on the Financial Results of Axis Finance Limited Pursuant to the Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Axis Finance Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of financial results of Axis Finance Limited (the "Company"), for the year March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Assessment of COVID 19 Impact

We draw attention to Note 9 to the Statement, which describes the uncertainty arising from COVID -19 pandemic and impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- i. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

Further, we report that figures for the half year ended March 31, 2020 included in the Statement represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published unaudited figures for the half year ended September 30, 2019, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**VIREN H
MEHTA** Digitally signed by VIREN H MEHTA
DN: cn=VIREN H MEHTA, c=IN,
o=Personal,
email=viren.mehta@srb.in
Location: Mumbai
Date: 2020.05.30 15:42:25 +05'30'

per Viren H. Mehta

Partner

Membership No.: 048749

UDIN: 20048749AAAAIA5215

Mumbai

May 30, 2020

Axis Finance Limited

Balance Sheet as at March 31, 2020

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

Particulars	As at March 31, 2020	As at March 31, 2019
ASSETS		
Financial Assets		
Cash and cash equivalents	16,201.22	90.62
Trade Receivables	682.79	505.56
Loans	7,54,544.33	7,92,579.89
Investments	9,027.93	9,977.43
Other financial assets	86.72	11.10
Sub-total-Financial assets	7,80,542.99	8,03,164.60
Non-Financial Assets		
Current Tax Assets (net)	4,259.55	2,883.32
Deferred Tax Assets (net)	6,619.93	5,018.33
Property, plant and equipment	219.51	115.96
Other Intangible Assets	1,408.36	1,324.95
Right-of-use assets	360.28	-
Other non-financial assets	203.14	110.37
Sub-total-Non-financial assets	13,070.77	9,452.93
Total - Assets	7,93,613.76	8,12,617.53
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Debt securities	3,80,677.80	3,87,429.43
Borrowings (Other than debt securities)	2,29,442.06	2,47,251.90
Subordinated Liabilities	52,916.72	52,902.06
Lease Liabilities	372.87	-
Other financial liabilities	3,533.68	778.71
Sub-total-Financial liabilities	6,66,943.13	6,88,362.10
Non-Financial liabilities		
Provisions	1,202.24	825.93
Other non-financial liabilities	1,358.31	1,390.23
Sub-total-Non-financial liabilities	2,560.55	2,216.16
Total-liabilities	6,69,503.68	6,90,578.26
EQUITY		
Equity share capital	48,075.00	48,075.00
Other equity	76,035.08	73,964.27
Total - Equity	1,24,110.08	1,22,039.27
Total - Equity and Liabilities	7,93,613.76	8,12,617.53



Regd. Office

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CIN : U65921MH1995PLC212675


AXIS FINANCE

Axis Finance Limited

Statement of Profit and Loss for the year ended March 31, 2020

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

Particulars	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)	For the Half Year ended March 31, 2020 (Reviewed)	For the Half Year ended March 31, 2019 (Reviewed)
Revenue from operations				
Interest Income	99,401.10	88,818.73	48,356.13	48,204.04
Net gain on fair value changes	143.07	614.00	92.00	66.31
Others	459.76	1.05	429.47	0.50
Total Revenue from operations	1,00,003.93	89,433.78	48,877.60	48,270.85
Other Income	31.90	88.65	0.00	88.65
Total income	1,00,035.83	89,522.43	48,877.60	48,359.50
Expenses				
Finance Costs	52,033.65	49,963.73	24,571.80	26,652.75
Impairment on financial instruments	14,083.03	2,158.47	12,619.95	1,518.99
Employee Benefits Expenses	5,499.38	2,685.27	3,146.01	1,507.56
Depreciation, amortization and impairment	401.15	123.05	217.61	74.88
Others expenses	3,974.12	2,051.24	2,548.65	1,186.00
Total expenses	75,991.33	56,981.76	43,104.02	30,940.18
Profit before exceptional items and tax	24,044.50	32,540.67	5,773.58	17,419.32
Exceptional Items	-	-	-	-
Profit before taxes	24,044.50	32,540.67	5,773.58	17,419.32
Tax expenses				
- Current Taxes	9,263.71	12,630.11	4,386.24	7,118.84
- Deferred Taxes	(1,590.36)	(1,144.18)	(2,850.14)	(984.13)
Profit for the period	16,371.15	21,054.74	4,237.48	11,284.61
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
(a) Re-measurements of net defined benefit plans	(44.66)	(1.87)	(16.58)	(12.17)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(11.24)	(0.65)	(4.05)	(4.25)
Sub-total (A)	(33.42)	(1.22)	(12.53)	(7.92)
B (i) Items that will be reclassified to profit or loss	-	-	-	-
Sub-total (B)	-	-	-	-
Other Comprehensive Income (A+B)	(33.42)	(1.22)	(12.53)	(7.92)
Total Comprehensive Income for the year	16,337.73	21,053.52	4,224.95	11,276.69
Paid-up Equity Share Capital (Face Value of ₹ 10 each)	48,075.00	48,075.00	48,075.00	48,075.00
Earnings per equity share				
Basic (₹)	3.41	4.38	0.88	2.35
Diluted (₹)	3.41	4.38	0.88	2.35



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Notes:

1. The financial results of the Axis Finance Limited ('Company') have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under Section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
2. The above is an extract of the detailed format of half yearly/annual financial results filed with the Stock Exchanges under Regulation 52 of the Listing Regulations. The full format of the half yearly/annual financial results are available on the websites of the BSE Limited (www.bseindia.com) and Axis Finance Limited (www.axisfinance.co.in).
3. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2020 and was audited by statutory auditor, as required under Listing Regulations.
4. The Company is a non-deposit accepting non-banking finance company or NBFC-ND-SI registered with Reserve Bank of India (RBI) and hence in terms of Listing Regulations is exempted from the requirement of disclosure of certain line of items as mentioned in Regulation 52(4).
5. The Company is in the process of amalgamation with Axis Private Equity Limited (a group company) wherein the former is the Transferee and the latter is the Transferor. In this regard, the Company has filed application petition before the National Company Law Tribunal, Mumbai. National Company Law Tribunal, Mumbai has admitted the petition on May 10, 2019. At the last hearing on February 27, 2020, the NCLT has fixed the matter as reserved for order and the same is awaited as at the Balance Sheet date.
6. Effective April 1, 2019, the Company has adopted Ind AS 116 - Leases and applied it to applicable lease contracts during the Financial Year 2019-20. The adoption of new standard has resulted in recognition of right of use and a corresponding lease liability of ₹ 391.28 Lakhs.
7. The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured the balance of net deferred tax assets, basis the rate prescribed in the aforesaid section and recognised the effect of change in the profit and loss account. The remeasurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by ₹ 1,403.94 Lakhs which has been fully charged to the profit and Loss account.
8. The company is engaged primarily in the business of financing and accordingly, there are no separate reportable segments as per Ind AS 108 - Operating Segment.
9. A national lockdown was declared by Government of India with effect from March 24, 2020 as a result of the recent outbreak of Novel Corona Virus (COVID-19), which was further extended in phases up to May 31, 2020. The COVID-19 pandemic has resulted in significant decrease in the economic activities across the country and has also affected the Company's business operations in the last week of March 2020, due to such lockdown. Further in accordance with RBI guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020 and dated May 23, 2020 ("RBI Circulars"), the Company offered/would offer moratorium on payment of instalments and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to its eligible customers based on requests as well as on a suo moto basis.



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AXIS FINANCE

Estimates and associated assumptions applied in preparing these financial results/statements, especially for determining the impairment allowance for the Company's financial assets (Loans and Investments), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company. The Company holds impairment allowances as at March 31, 2020, against potential impact of COVID-19 based on the information available at this point in time.

10. In terms of requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.
11. The figures of the half year ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 and published year to date figures up to the half year ended September 30, 2019 and September 30, 2018 respectively and which were subject to limited review by the statutory auditors.
12. Previous period / year figures have been regrouped / rearranged wherever necessary to conform to the current period/year figures.

For and on behalf of Board of Directors
AXIS FINANCE LIMITED



Bipin Kumar Saraf
Managing Director & CEO
DIN: 06416744
Place: Mumbai
Date: May 30, 2020



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AXIS FINANCE

Statutory Compliance- Half Yearly Report as on 31 March 2020

Information as required under Regulation 52(4) & 54(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015

1. Credit Ratings: (Change in Rating, if any)

FACILITY	CRISIL	INDIA RATINGS	Amount (Rs. in crores)
Bank Facilities	NA	IND AAA/Stable	5000.00
Short Term Debt Programme	NA	IND A1+	1000.00
Non-Convertible Debentures	CRISIL AAA/Stable	ND AAA/Stable	CRISIL- 2000.00 India Ratings- 3325.00
Market Linked Debentures	NA	IND PP-MLD AAA emr/Stable	500.00
Subordinated Bonds	CRISIL AAA/Stable	IND AAA/Stable	CRISIL- 800.00 India Ratings-800.00
Commercial Papers	A1+	A1+	CRISIL- 6000.00 India Ratings- 10,000.00

There was no migration in Credit Ratings during the year.

2. Debt-Equity Ratio: 5.34x
3. Previous Due Dates for the payment of Interest/ repayment of Principal of Non-Convertible Debt Securities and the same whether paid or not : As per Annexure A. The same had been paid within due dates.
4. Next Due Dates for payment of Interest/Principal of Non-convertible Debt Securities : As per Annexure B
5. Debenture Redemption Reserve: Not Applicable
6. Net Worth: ₹ 1,155.85
7. Net Profit After Tax: ₹ 163.71
8. Earnings Per Share: ₹ 3.41
9. The Secured listed Non-Convertible Debentures of the Company are fully secured by first pari passu charge on immovable property of the Company situated at Sriperumbudur Village, Sriperumbudur Taluka, Kancheepuram District in the State of Tamil Nadu and by way of a first pari passu charge over the Receivables (both present and future) as appearing in the Company's balance sheet from time to time to the extent of 1.00 times of the outstanding Secured Obligations.

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AXIS FINANCE

Thanking you,
Yours Faithfully,

For AXIS FINANCE LIMITED


Rajneesh Kumar
Company Secretary

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AXIS FINANCE

Annexure A**Payment of Redemption / Interest in previous half year : 01.10.2019 to 31.03.2020**

ISIN Code	Type (Principal/Interest)	Due Date	Amount (in. Rs.)
INE891K08059	Interest	16-Sep-19	8,12,43,000.00
INE891K07341	Interest	09-Jan-20	79,41,500.00
INE891K07457	Interest	30-Dec-19	8,29,23,000.00
INE891K07291	Interest	26-Dec-19	4,24,79,100.00
INE891K07317	Interest	27-Mar-20	1,88,60,750.00
INE891K07317	Interest	27-Mar-20	5,65,82,250.00
INE891K07291	Principal	26-Dec-19	15,00,00,000.00
INE891K07317	Principal	27-Mar-20	25,00,00,000.00
INE891K07317	Principal	27-Mar-20	75,00,00,000.00

Annexure B**Due date for payment of Redemption / Interest in next half year : 01.04.2020 to 30.09.2020**

ISIN Code	Type (Principal/Interest)	Due Date	Amount (in Rs.)
INE891K08034	Interest	05-Aug-20	17,60,00,000.00
INE891K08042	Interest	11-May-20	16,90,72,000.00
INE891K08059	Interest	14-Sep-20	8,03,58,000.00
INE891K07473	Interest	29-Jun-20	3,37,83,600.00
INE891K07481	Interest	06-Aug-20	41,50,000.00
INE891K07309	Interest	26-May-20	3,32,10,250.00
INE891K07309	Principal	26-May-20	12,50,00,000.00

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