

AXIS FINANCE LIMITED
DIRECTOR'S REPORT – 2014-2015

Dear Members,

The Board of Directors is pleased to submit the 20th Annual Report of your Company together with Audited accounts for the financial year April 1, 2014 to March 31, 2015.

1. Financial Results of the Company

Particulars	Current Financial Year 31.03.15	Previous Financial Year 31.03.14
Revenue from Operations (Net) and other income	2,242,610,984	760,317,793
Profit/(Loss) before Tax	1,173,917,332	505,119,995
Provision for Taxation	392,272,287	170,348,168
Profit/(Loss) after Tax	781,645,045	334,771,827
Balance brought forward from previous year	589,445,574	321,673,747
Profit available for appropriation	1,371,090,619	656,445,574
APPROPRIATIONS		
Interim Equity Dividend	0	0
Proposed Final Equity Dividend	0	0
Tax on Equity Dividends	0	0
Previous Year Tax on Equity Dividends	0	0
General Reserve	0	
Transfer to Statutory Reserve	156,400,000	67,000,000
Surplus carried to the next year's account	1,214,690,619	589,445,574

2. Dividend

Your Directors do not recommend any dividend for the year ended on 31st March 2015 as the Company is in expansionary phase and capital is required for increase in the business.

3. Disclosures about capital infusion during the year and reserves transferred to the P & L account.

In order to expand the business activities, the company re-classified by converting all the Preference Shares into equity resulting in Authorised Share Capital of Rs.3,00,00,00,000 divided into 30,00,00,000 Equity Shares of Rs.10/- each and increased its Authorized Share Capital from Rs.300,00,00,000 to Rs.3,30,00,00,000 divided into 33,00,00,000 Equity Shares of Rs.10/- each vide resolution passed at the AGM held on 28.07.14.

Your company also issued 6, 25, 00,000 Equity Shares of Rs.10 each for cash at a premium of Rs.6 per Share on Rights Basis.

The total Issued and Paid-up Capital as on March 2015 is Rs. 3,18,25,00,000/-.

No reserves was transferred to the P&L Account.

4. Issuance of Debentures.

During the year, the Company issued Non- Convertible Debentures in 13 tranches aggregating to Rs. 3,98,40,00,000

5. Any change in shareholding pattern, material changes in the financial position of the company and commitments from the previous financial year till the current year.

The Company is wholly owned subsidiary of Axis Bank Limited. There is no change in shareholding pattern of the Company during the year expect that the company also issued 6, 25, 00,000 Equity Shares of Rs.10 each for cash at a premium of Rs.6 per Share on Rights Basis to Axis Bank Limited.

6. Extracts of the Annual Return of the Company:

Extracts of the Annual Return of the Company is enclosed herewith as **Annexure – I**

7. Number of meetings of the Board:

Your Directors are pleased to inform that [7] Board Meetings were conducted during the Financial Year 2014-15. Board meetings were held in accordance with the provisions of the Companies Act. Dates of the Board Meetings are as mentioned below:

BM No.	Date of BM
111	10.04.2014
112	15.05.2014
113	03.07.2014
114	16.09.2014
115	28.10.2014
116	21.01.2015
117	10.03.2015

8. Details about directors and KMPs who were appointed/resigned during the financial year.

i) Details of Directors

Sr	Name	Designation	Appt/Resign	W.e.f	Remarks
1	Mr. Nilesh Shah	Director	Resigned	05.01.2015	
2	Mr. V R Kaundinya	Independent Director	Appointed	26.02.2015	Appointed by the shareholders at the EGM held on 26.02.2015
3	Mrs. Madhu Dubhashi	Independent Director	Appointed	26.02.2015	Appointed by the shareholders at the EGM held on 26.02.2015

ii) Details of KMP

Sr	Name	Designation	Appt/Resign	W.e.f	Remarks
1	Mr. Bipin Kumar Saraf	MD	Appointed	16.04.2014	
2	Mr. Amith Iyer	CFO	Appointed	03.07.2014	
3	Mr. Rajneesh Kumar	CS	Appointed	14.04.2013	

9. Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013, Mr Bapi Munshi, Director of the Company retire by rotation and are eligible for re-appointment. Accordingly the appointment has been included in the Notice convening the Annual General Meeting of the Company.

10. A statement on declaration given by independent directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

11. Directors Responsibility Statement

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

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. Auditors

I) Re-appointment of Statutory Auditors:

The Company's Auditors, Messrs S.R Batliboi, Chartered Accountants, Mumbai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment till the conclusion of 23rd Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

II) Appointment of Internal Auditor:

The Company has appointed M/s. J.K.Khanna & CO., Chartered Accountants (FRN 301003E), as an Internal Auditor of the Company for the Financial year 2014-15 or thereafter till July 30, 2015.

13. Committees

I) Audit Committee

The Audit Committee of the Company was re-constituted during the year and currently members comprise of Mr. V.R Kaundinya, Mrs. Madhu Dubhashi and Mr. Bapi Munshi. Dates of the Audit Committee Meetings are as mentioned below:

Sr. No	Dates of the Meetings
1	10.04.2014
2	03.07.2014
3	28.10.2014
4.	21.01.2015

II) Nomination Committee

The Nomination Committee of the Company was re-constituted during the year and currently members comprise of Mr. V.R Kaundinya, Mrs. Madhu Dubhashi, Mr. Bapi Munshi and Mr. Bipin Kumar Saraf. Dates of the Nomination Committee Meetings are as mentioned below:

Sr. No	Dates of the Meetings
1	10.04.14

III) Risk Management Committee

The Risk Management Committee of the Company was re-constituted during the year and currently members comprise of Mrs. Madhu Dubhashi, Mr. Bapi Munshi and Mr. Bipin Kumar Saraf. Dates of the Risk Management Committee Meetings are as mentioned below:

Sr. No	Dates of the Meetings
1	10.04.14
2	03.07.14
3	28.10.14
4.	21.01.2015

IV) CSR Committee

The Corporate Social Responsibility Committee of the Company was constituted during the year and currently members comprise of, Mrs. Madhu Dubhashi, Mr. Bapi Munshi and Mr. Bipin Kumar Saraf. Dates of the CSR Committee Meetings are as mentioned below:

Sr. No	Dates of the Meetings
1	21.01.15

14. As per Sub Section 1 of Section 178 policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time. The policy shall apply to all Directors (Executive and Non Executive), Key Managerial Personnel and Senior Management. The Policy laid down the roles of the Committee, criterion for appointment of Directors, Key Managerial Personnel and Senior Management and parameters for determining the remuneration of Directors, Key Managerial Personnel, Senior Management and other employees.

15. Reservation and qualification on Auditor Report.

The notes to Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments. Auditors have not made any reservation or qualification in the Audit Report.

16. Secretarial Audit report given by Company Secretary in practice

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs MC & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **Annexure II**.

17. In case of loans guarantees or investments given by company under section 186, disclosures for the same.

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

18. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

19. Management Discussions and Analysis

The Management and Discussion Analysis is annexed herewith as **Annexure III**.

20. Amount carried to reserves

An amount of Rs. 156.40 Lacs have been transferred to Statutory Reserves as required under Section 45-IC of the Reserves Bank of India Act.

21. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

In terms of the information required under Sub-section (3)(i) of Section 134 it is to be noted that there is no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

22. Conservation of energy & technology absorption and Foreign exchange earnings and Outgo

- A. Since the Company does not carry any manufacturing activities, particulars to be disclosed with respect to Conservation of energy & technology absorption under Section 134 (3) (m) of Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are not applicable.
- B. During the year under review there has been no earnings and outgo in foreign exchange.

23. Details on Corporate Social Responsibility (CSR) policy and its implementation

CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken projects in the areas of Education, Livelihood, Health, Water and Sanitation. These projects are largely in accordance with Schedule VII of the Companies Act, 2013. The Company had transferred Rs.53,56,390/- to Axis Bank Foundation on March 20, 2015 for the purpose of expenditure towards CSR activities.

24. Disclosures about annual performance evaluation by the directors of the Company of its own and committees and individual directors

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation covers the areas relevant to their functioning as independent directors or other directors, member of Board or Committees of the Board.

25. Details relating to deposits

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

26. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

27. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

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

28. Vigil Mechanism / Whistle Blower Policy

The Company has adopted the code of conduct for employee and also directors for the highest degree of transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company. The Company also has Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

Employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities.

29. Information in terms of under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

The information pertaining to Rule 5 of the Company (Appointment and Remuneration of Managerial Personnel Rules, 2014) is enclosed herewith as **Annexure IV**

30. Acknowledgement

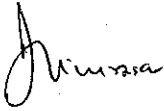
The Directors gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

31. Cautionary Statement

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors



X **SRINIVASAN VARADARAJAN**
CHAIRMAN



BIPIN KUMAR SARAF
MANAGING DIRECTOR & CEO

Date: 22nd May 2015
Place Mumbai



022 AXIS FINANCE LIMITED

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: - U65921MH1995PLC212675
- ii) Registration Date - 27/04/1995
- iii) Name of the Company: AXIS FINANCE LIMITED
- iv) **CATEGORY OF THE COMPANY:** - [PL. TICK]

(1) Public Company -

(2) Private company -

SUB CATEGORY OF THE COMPANY: - [PLEASE TICK WHICHEVER ARE APPLICABLE]

- 1) Government Company -
- 2) Small Company -
- 3) One Person Company -
- 4) Subsidiary of Foreign Company -
- 5) NBFC -
- 6) Guarantee Company -
- 7) Limited by shares -
- 8) Unlimited Company -
- 9) Company having share capital -
- 10) Company not having share capital -
- 11) Company Registered under Section 8 -

v) **Address of the Registered Office and contact details**

Address :	Axis House, Ground Floor, Wadia International Centre, Worli
Town / City :	Mumbai
District :	Mumbai
State :	Maharashtra
Telephone : (With STD Area Code Number)	022- 4325 5717

AXIS FINANCE LIMITED

(Erstwhile Enam Finance Pvt. Ltd.)

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



Pin Code	400 025
Fax Number :	022-4325 5732
Email Address :	Rajneesh.Kumar@axisbank.com
Website (if any)	http://www.axisfinance.co.in/

vi) Whether Shares Listed On Recognized Stock Exchange(S) –No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Name of Registrar & Transfer Agents: KARVY COMPUTERSHARE PVT. LTD.

Address :	Karvy House, 46, Avenue 4, Street No.1, Banjara Hills
Town / City :	Hyderabad
District :	Hyderabad
State :	Telangana
Telephone :(With STD Area Code Number)	040 - 23312454
Pin Code	500 034
Fax Number :	040 - 23311968
Email Address :	Varghese@karvy.com

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Interest on Loans	65923	85.10
2	Income from Processing Fees		12.50

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

Note1- As per Balance sheet there is no investment, so there is no subsidiary.

Note 2-As per the definition of Associate Company "associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—For the purposes of this clause, “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement;

Therefore there is no Associate Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	25,57,4	60	25,57,5	100*	31,82,4	50	31,82,5	100*	24.44%
b) Central Govt	9,940*		0,000*		4,950*		0,000*		
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any									
Other....									
Sub-total (A) (1):-									
(2) Foreign									
a) NRIs -									
Individuals									
b) Other –									
Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	25,57,5	0	25,57,5	100*	31,82,5	0	31,82,5	100*	24.44%
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0,000*		0,000*		0,000*		0,000		
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									

b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)									



C. Shares held by Custodian for GDRs & ADRs			
Grand Total (A+B+C)	25,57,50,000*	31,82,50,000*	

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

ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Axis Bank Limited	25,57,50,000	100*	NIL	31,82,50,000	100*	NIL	24.44%
	Total	25,57,50,000	100*	NIL	31,82,50,000	100*	NIL	24.44%

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

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

SI. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	25,57,50,000	100*	25,57,50,000	100*
1	01.01.2015- Allotment of Equity Shares on Rights basis	6,25,00,000		31,82,50,000	100*
	At the End of the year	31,82,50,000		31,82,50,000	100*

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

Note-Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / sweat equity etc):

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

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

v) Shareholding of Directors and Key Managerial Personnel:

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

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

* held as a nominee of Axis Bank Limited

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,764,328,623	5,244,105,968	NIL	8,008,434,591
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	2,764,328,623	5,244,105,968	NIL	8,008,434,591
Change in Indebtedness during the financial year				
➤ Addition	18,003,720,047	201,231,693,315	NIL	219,235,413,362
➤ Reduction	12,272,927,234	186,289,397,536	NIL	198,562,324,770
Net Change	5,730,792,813	14,942,295,779	NIL	20,673,088,592



Indebtedness at the end of the financial year				
i) Principal Amount	8,495,121,436	20,186,401,747	NIL	28,681,523,183
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	55,267,531	NIL	NIL	55,267,531
Total (i+ii+iii)	8,550,388,967	20,186,401,747	NIL	28,736,790,714

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD	Total Amt. (Rs. in Lacs)
		Mr. Bipin Kumar Saraf	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		63.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		11.93
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL
2	Stock Option		NIL
3	Sweat Equity		NIL
4	Commission as % of profit		NIL
5	Others, please specify Variable Incentives		29.00
	Total (A)		104.21
	Ceiling as per the Act <i>*5% of the net profit calculated as per Section 198</i>		586.96

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	Mr. V.R Kaundinya	Mrs. Madhu Dubhashi	
	➤ Fee for attending board / committee meetings	Rs. 50,000	Rs. 1,00,000	Rs. 1,50,000
	➤ Commission	NIL	NIL	NIL
	➤ Others, please specify	NIL	NIL	NIL
	Total (1)			Rs. 1,50,000
2.	Other Non-Executive Directors	NIL		NIL
	➤ Fee for attending board / committee meetings			

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (Rs. In Lacs)
1	Gross salary	24.42	39.52	63.94
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission as % of profit	NIL	NIL	NIL
5	Others	5.11	17.15	22.26
	Total	29.53	56.67	86.20

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): NONE

MC & Associates
Company Secretaries
103, A Wing, Gurukrupa Society, N. C. Kelkar Road
Opp. Plaza Cinema, Dadar, Mumbai - 400 028
022 24374044 www.mcassociates.co.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2014 - 2015

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

To,

The Members,

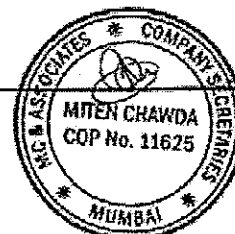
AXIS FINANCE LIMITED.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AXIS FINANCE LIMITED herein after called "the Company". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the AXIS FINANCE LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, management representation and legal opinions provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015, according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; -Not Applicable.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -Not Applicable



We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has specific events / actions which is attached to the report as Annexure II.

For MC & Associates
Company Secretaries



Miten Chawda
FCS No: 6949
C P No: 11625

Place: Mumbai

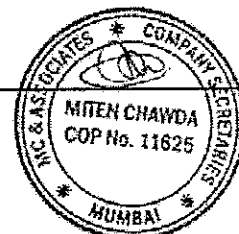
Date: 22/05/2015

Annexure II

List of Specific Events

Sr	Remarks	Board's Approval	Members Approval
1.	Issue of Commercial Paper aggregating to Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores Only).*	10.04.14	
2.	Issue Of Non Convertible Debentures aggregating up to Rs. 4,00,00,00,000/- (Rupees Four Hundred Crores only).*	10.04.14	
3.	Investment in preference shares of Axis Asset Management Company Limited aggregating to Rs. 20,00,00,000/- (Rupees Twenty Crores only). The Company has filed Form C.G 1 vide SRN C50075027 dated 16.04.15 w.r.t delay in filing of e-form MGT 14 for above referred matter.	15.05.14	
4.	Cancellation & Reclassification of 40,00,000 (Forty Lakhs only) Preference Shares of Rs.100/- (Rupees One Hundred Only) each into 4,00,00,000 (Four Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each and resultant alteration of Capital Clause of the Memorandum of Association and Articles of Association.	03.07.14	28.07.14
5.	Increase in Authorised Share Capital of the Company from Rs. 3,00,00,00,000/- (Rupees Three Hundred Crores only) to Rs. 3,30,00,00,000/- (Rupees Three Hundred and Thirty Crores only) and resultant alteration of Capital Clause of the Memorandum of Association and Articles of Association.	03.07.14	28.07.14
6.	Increase in the Borrowing Limits not exceeding Rs. 65,00,00,00,000/- (Rupees Six Thousand Five Hundred Crores only).	03.07.14	28.07.14
7.	Raising of Tier II Capital by issuance of debt instruments upto Rs. 4,08,16,00,000/- (Rupees Four Hundred Eight Crores and Sixteen Lakhs only) or equivalent amount in INR by issue of debt instruments in domestic eligible for inclusion in Tier II capital.	03.07.14	28.07.14
8.	Appointment of Chief Financial Officer, Mr. Amith Iyer.	03.07.14	
9.	Revision in remuneration for the Financial Year 2014-15 to be paid to the Managing Director.	03.07.14	28.07.14
10.	Increase/Modification of the amount to be borrowed through Commercial Papers not exceeding Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores only).	16.09.14	
11.	Buy back of Commercial Paper issued by the Company.	16.09.14	
12.	Issue of Non Convertible Debentures upto Rs. 4,00,00,00,000/- (Rupees Four Hundred Crores only).	28.10.14	
13.	Issue of 6,25,00,000 (Six Crores Twenty Five Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each for cash at a premium of Rs. 6/- (Rupees Six Only) aggregating to Rs. 1,00,00,00,000/- (Rupees One Hundred Crores Only) on Rights Basis.	28.10.14	
14.	Appointment of Mr. Bipin Saraf as Chief Executive Officer.	28.10.14	
15.	Resignation of Mr. Nilesh Shah, Director from the Board of the Company w.e.f. 05.01.2015.	21.01.15	
16.	Appointment of following Independent Directors: 1. Mr. V R Kaundinya 2. Mrs. Madhu Dubhashi	-	26.02.15

*The members approval by way of Special Resolution was obtained on 17.02.2014.



AXIS FINANCE LTD.

Statement Showing Asset Cover Ratio as on 31st March 2015

(Rs. in Lacs)			
Sr. No	Particulars	Rs.	Rs.
	TOTAL ASSETS		
	Non Current Assets		
	Fixed Assets		
	Tangible Assets	22.80	
a	Intangible Assets	3.83	
b	Capital WIP	75.67	102.31
	Deferred Tax Asset		181.76
	Non current Investments		10354.59
	Long term loans and advances		74484.43
	Other Non current Assets		76.41
	Total Non Current Assets		85199.49
	Current Assets		261962.72
A	Total Assets as on 31.03.15		347162.22
	CURRENT LIABILITIES		
	Short term borrowings		246975.23
	Other current liabilities		11373.45
	Short term provisions		458.14
B	Total Current Liabilities		258806.83
	SHORT TERM DEBT OBLIGATIONS		
	Interest accrued but not due		239.71
	Short term borrowings		246,975.23
C	Total Short term Debt Obligations as on 31.03.15		247,214.95
	TOTAL DEBT OUTSTANDING		
	Commercial paper		198657.14
	Debentures		40392.67
	LOC		
	Axis Bank	3206.87	
	Punjab & sind bank	25062.88	
	Bank of Baroda	10029.15	
	HDFC Bank	10019.18	48318.08
D	Total Debt Outstanding		287367.89

=(Total Assets- Intangible Assets)-(Current Liabilities-Short Term Debt Obligation)

Total Debt Outstanding

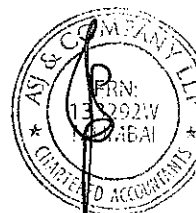
Asset Cover Ratio =

A - (a+b) - (B-C)

D

Ratio

1.17 times



Management Discussions & Analysis

1. Industry Structure & Developments:

Liquidity conditions remained benign during FY 2014-15, the inflation rate came down considerably and this has led the RBI to cut policy rates on more than one occasion during the year.

The RBI also released the revised regulatory framework applicable to NBFCs during November 2014. Axis Finance has ensured compliance with the applicable provisions of the framework.

2. Internal Control System & their adequacy:

The Company has an adequate internal control system to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently. Moreover, the company continuously upgrades these systems in line with the best practices.

The Company ensures adherence to the internal control policies & procedures as well as compliance with regulatory guidelines.

3. Risks

Being a Financial company, AFL is exposed to specific risks that are particular to its business and the environment within which it operates, including interest rate volatility, economic cycle, credit risk and market risk. The most important among them are credit risk, market risk and operational risk. The measurement, monitoring management of risk remains key focus areas for the company.

4. Outlook

Outlook for the NBFC sector remains positive backed by the lower credit penetration and huge capital formation requirement of the country. However, in the short term, the sector may find the macro-economic environment challenging for growing quality book.

The expected downward shift in inflation might allow RBI to further ease its monetary policy stance, although this is contingent upon future inflation expectations. Measures to remove bottlenecks by the Government are also expected to revive capex.



5. Financial Performance

The company recorded robust growth in its loan book during the year. The core assets increased from Rs.1160 crores as at 31.03.2014 to Rs.2248 crores as at 31.03.2015. Total Income increased from Rs.76.03 crores during FY14 to Rs.224.26 crores during FY15, while net profit increased from Rs.33.47 crores during FY14 to Rs.78.16 crores during FY15.

Axis Finance recorded NIM of 6.83%, ROA of 3.33% and ROE of 16.37% during the year. The company continued to maintain sound asset quality with NIL NPAs.

6. Human Resources & IT Infrastructure

The company has a team of able and experienced team of industry professionals and employees. It has been able to maintain its existing resources by keeping pace with changing business environment and by ensuring staff continuity.

The company further strengthened its IT infrastructure & systems to support its business & operations.

B

Disclosure requirement in Annual Report as prescribed under Companies Act, 2013 –Human Resources

The information relating to managerial remuneration in terms of Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are detailed as under: –

- (i) the ratio of the remuneration of each whole time director of the Company to the median remuneration of the employees of the Company for the financial year 2014-15;

Ratio of the remuneration of the whole time director of the company to the median remuneration of the employees of the company are, Mr. Bipin Saraf, MD & CEO -1: **6.88**.

Information is only in respect of whole time directors who are on rolls of the Company as on 31st March 2015

- (ii) the percentage increase in remuneration of each whole time director, Chief Financial Officer and the Company Secretary of the Company, during the financial year 2014-15, are as under;

Percentage increase in remuneration of Mr. Bipin Kumar Saraf, MD & CEO was 12%, Mr. Amith Iyer, Chief Financial Officer was 6.70% & Mr. Rajneesh Kumar, Company Secretary was 7.50%

- (iii) the percentage increase in the median remuneration of employees of the Company during the financial year;

Median remuneration of employees of the company decreased by 49% during the financial year 2014-15, as compared to the financial year 2013-14. This is on account of addition of manpower in FY 15 in the lower & middle level management.

- (iv) the number of permanent employees on the rolls of the Company; -

The company had 17 permanent employees on its rolls as on March 31, 2015.

- (v) the explanation on the relationship between average increase in remuneration and company performance;

The company's performance management and compensation philosophies are structured to support the achievement of the Company's strategic business objectives. These strategic priorities are cascaded through annualised objectives to the employees. Based on the Company's performance, individual performance, market benchmarks on compensation and attrition trends, compensation strategy including increment benchmarks are proposed by the Nomination and Remuneration Committee of the Directors of the Company for adoption by the Company.



- (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

As stated earlier, the company's performance management and compensation philosophies are structured to support the achievement of the company's strategic business objectives.

The company follows a KRA approach in designing its performance management system. Adequate attention is given to robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organization. The non-financial goals for employees includes customer service, process improvement, adherence to risk and compliance norms, self-capability development and behaviours such as integrity and team management.

Accordingly the remuneration for Key Managerial Personnel has been decided based on the above parameters.

- (vii) variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies;

Not Applicable as our equity shares are not listed

- (viii) average percentile increase already made in the salaries of employees of the company other than its managerial personnel (viz. whole time directors of the Company) during the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average remuneration increase for Non managerial personnel of the company during the financial year was 13 % and the average remuneration increase for the said managerial personnel of the company was around 8%

- (ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

The company's performance management and compensation philosophies are structured to support the achievement of the Company's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The remuneration is decided taking into account the company's performance, individual performance and market benchmarks. The same is first approved by Nomination and Remuneration Committee of the Board of Directors and thereafter it is recommended to the Board for its approval.



Accordingly, percentage increase in remuneration of Mr. Bipin Kumar Saraf, MD & CEO was 12%, Mr. Amith Iyer, Chief Financial Officer was 6.70% & Mr. Rajneesh Kumar, Company Secretary was 7.50%

(x) the key parameters for any variable component of remuneration availed by the Whole Time Directors of the company;

- Percentage of variable pay for the MD & CEO to be capped at 70% of fixed pay (AFL is adhering to RBI guidelines for Banks on the variable pay payable to MD & CEO.

(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Not Applicable

(xii) affirmation that the remuneration is as per the remuneration policy of the company.

We affirm that the remuneration paid is as per the said Remuneration Policy of the company.

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company forms part of this Report. The Company had 2 employee(s) who were employed throughout the year and were in receipt of remuneration of more than Rs. 60 lakh per annum and none of the employee(s) were employed for part of the year and who was in receipt of remuneration of more than Rs.5 lakh per month. In terms of Section 136 of the Companies Act, 2013, the copy of the financial statements of the Company including the consolidated financial statements, the auditor's report and relevant annexures to the said financial statements and reports are being sent to the Members and others entitled thereto, excluding the information in respect of the said employees containing the particulars as specified in Rule 5(2) of the said rules which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, he may write to the Company Secretary of the Company at the Registered Office. The financial statements, reports etc. of the Company have been hosted on the website of the Company (www.axisfinance.in)

A handwritten signature or mark in the bottom right corner of the page.

FORM AOC - 2

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

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

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

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

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

a)	Name (s) of the related party and nature of relationship	:	Axis Bank Limited
b)	Nature of contracts/arrangements/transactions	:	1. Rent Paid 2. Bank Charges 3. FD Interest 4. Current Account Balance 5. LOC Account Balance 6. OPE Salary 7. Capital Infusion

			8. Advertisement Exps Reimbursement 9. OPE Reimbursement 10. Vehicle 11. IPA Commission Charges Paid 12. Retainership Fees Reimbursement 13. Internal Audit Fees 14. Escrow Fees Paid 15. Interest Paid on Line of Credit 16. Processing Fees received 17. Interest Paid on Bank O/d
c)	Duration of the contracts / arrangements / transactions	:	Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	Transactions at arm's length and in ordinary course of business
f)	Amount paid as advances, if any	:	NIL

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

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

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

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

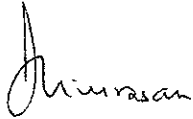
5. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	Axis Asset Management Company Ltd
b)	Nature of contracts/arrangements/transactions	:	1. Investment in Preference shares 2. Disinvestment in Preference Shares 3. Dividend Received
c)	Duration of the contracts / arrangements / transactions	:	Redeemable
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	15 May 2014
f)	Amount paid as advances, if any	:	NIL

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

a)	Name (s) of the related party and nature of relationship	:	Axis Trustee Services Limited
b)	Nature of contracts/arrangements/transactions	:	1. Annual Fees

c)	Duration of the contracts / arrangements / transactions	:	Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	Refer Financial statements
e)	Date (s) of approval by the Board, if any	:	July 16, 2013
f)	Amount paid as advances, if any	:	NIL



SRINIVASAN VARADARAJAN

CHAIRMAN

Din No. 00033882

Place: Mumbai



BIPIN KUMAR SARAF

MANAGING DIRECTOR & CEO

Din No. 06416744

Date: May 22, 2015

Place- Mumbai

Independent Auditor's Report

To

The Members of Axis Finance Limited (Formerly known as Axis Finance Private 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 31 March 2015, and 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. 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

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, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as 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;
- (e) On the basis of written representation received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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 litigation against it which would impact its financial position.
 - (i) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - (ii) As at March 31, 2015 there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co LLP

Chartered Accountants

Firm's Registration Number: 301003E



per Viren H. Mehta

Partner

Membership Number: 048749

Mumbai

15 April 2015

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Annexure referred to in our report of even date

Re: Axis Finance Limited (Formerly known as Axis Finance Private Limited) ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (ii)(b) Fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (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, value added tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.

As informed, sales tax, wealth tax, custom duty and excise duty are currently 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, employees' state insurance, income-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, sales tax, wealth tax, custom duty and excise duty are currently 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.

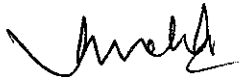
As informed, provisions of sales tax, wealth tax, custom duty and excise duty are currently not applicable to the Company.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (vii)(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per 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.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Co LLP
Chartered Accountants
Firm's Registration Number: 301003E



per Viren H. Mehta
Partner
Membership Number: 048749

Place: Mumbai
Date: 15 April 2015

BALANCE SHEET AS AT MARCH 31, 2015

(Amount in Indian Rupees)

	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,182,500,000	2,557,500,000
Reserves and surplus	4	2,719,190,619	1,563,545,574
		<u>5,901,690,619</u>	<u>4,121,045,574</u>
Non Current Liabilities			
Long term borrowings	5	2,884,000,000	-
Other long term liabilities	7	31,296,176	-
Long term provisions	8	18,552,044	13,991,000
		<u>2,933,848,220</u>	<u>13,991,000</u>
Current Liabilities			
Short term borrowings	6	24,697,523,182	8,008,434,591
Other current liabilities	7	1,137,345,049	16,675,531
Short term provisions	8	45,814,495	23,989,855
		<u>25,880,682,726</u>	<u>8,049,099,977</u>
Total		<u><u>34,716,221,565</u></u>	<u><u>12,184,136,551</u></u>
ASSETS			
Non Current Assets			
Fixed assets			
Tangible assets	9	2,280,260	476,203
Intangible assets		383,119	-
Capital work-in-progress		7,567,356	-
		<u>10,230,735</u>	<u>476,203</u>
Deferred tax asset		18,176,178	10,283,065
Non current investments	10	1,035,458,861	898,032,461
Long term loans and advances			
a. Loans	11	7,420,817,575	5,596,200,000
b. Others	12	27,625,516	26,912,761
Other Non current assets	13.2	7,640,605	-
		<u>8,519,949,470</u>	<u>6,531,904,490</u>
Current assets			
Current investments	10	12,503,718,212	-
Trade receivables	13.1	30,775,120	50,562
Cash and bank balances	14	103,595,287	173,685,373
Short term loans and advances			
a. Loans	11	13,532,383,921	5,448,006,559
b. Others	12	3,473,502	1,599,345
Other current assets	13.2	22,326,052	28,890,222
		<u>26,196,272,095</u>	<u>5,652,232,061</u>
Total		<u><u>34,716,221,565</u></u>	<u><u>12,184,136,551</u></u>

Summary of significant accounting policies 2.1

The accompanying notes are forming part of financial statements

As per our attached report of even date

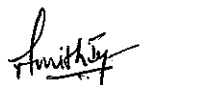
For S.R. BATLIBOI & CO. LLP
Firm Registration No.301003E
Chartered Accountants


per Viren H. Mehta
Partner
Membership No. : 048749
Place: Mumbai
Date: April 15, 2015

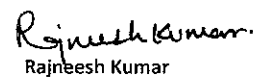


For and on behalf of the board of Axis Finance Limited


Srinivasan Varadarajan
Chairman
DIN No : 00033882


Amith Iyer
Chief Financial Officer
PAN No : AAJPI3172J


Bipin Saraf
Managing Director
DIN No : 06416744


Rajneesh Kumar
Company Secretary
Membership No: A31230

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in Indian Rupees)

	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Income			
Revenue from operation	15	2,237,007,557	748,329,439
Other income	16	5,603,427	11,988,354
Total income	(A)	2,242,610,984	760,317,793
Expenses			
Employee benefit expense	17	64,897,236	49,200,381
Financial costs	18	933,162,098	153,645,547
Provisions and write off	19	25,289,300	28,475,000
Other expenses	20	44,935,850	23,819,321
Depreciation and amortization expense	21	409,168	57,549
Total expenses	(B)	1,068,693,652	255,197,798
Profit before tax	(C) = (A)-(B)	1,173,917,332	505,119,995
Tax expense:			
Current tax pertaining to profit/(loss) for the current year		400,165,400	180,000,000
Deferred tax		(7,893,113)	(9,651,832)
Profit for the year/period		781,645,045	334,771,827
Earnings per equity share (Face Value Rs. 10 per share)			
Basic			
Computed on the basis of total profit for the year		2.88	1.54
Diluted			
Computed on the basis of total profit for the year		2.88	1.54

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
Chartered Accountants

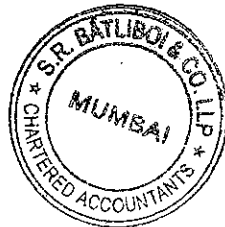


per Viren H. Mehta
Partner

Membership No. :- 048749

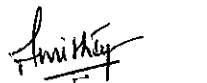
Place: Mumbai

Date: April 15, 2015

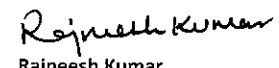


For and on behalf of the board of Axis Finance Limited


Shrinivasan Varadarajan
Chairman
DIN No : 00033882


Amith Iyer
Chief Financial Officer
PAN No : AAJPI3172J


Bipin Saraf
Managing Director
DIN No : 06416744


Rajneesh Kumar
Company Secretary
Membership No: A31230

AXIS FINANCE LIMITED
Formerly Axis Finance Private Limited

Cash flow statement for the year ended March 31, 2015

(Amount in Indian Rupees)

	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities		
Profit before tax	1,173,917,332	505,119,995
Adjustments for:		
Depreciation	409,168	57,549
Provision against standard assets	25,289,300	28,475,000
Amortization of debenture premium	(1,430,915)	(5,955,460)
Interest on fixed deposit	(5,603,427)	(11,988,354)
Operating profit before working capital changes	1,192,581,458	515,708,730
Movement in working capital:		
Decrease/(increase) in long term loan & advances	(1,824,617,575)	(5,602,700,000)
Decrease/(increase) in short term loan & advances	(8,086,251,519)	(5,207,088,629)
Decrease/(increase) in trade receivables	(30,724,558)	88,301
Decrease/(increase) in other current assets	6,564,170	(26,803,948)
Decrease/(increase) in other non current assets	(7,640,605)	
Increase/(decrease) in short term provisions	1,096,384	8,117,093
Increase/(decrease) in other current liabilities	1,151,965,694	16,071,502
Cash generated from operations	(7,597,026,551)	(10,296,606,951)
Income tax paid	(400,878,155)	(202,006,915)
Net cash flow from operating activities (A)	(7,997,904,706)	(10,498,613,866)
B. Cash flow from investing activities		
Interest received on fixed deposit and NCD	5,603,427	11,988,354
Purchase of fixed assets	(2,161,253)	(533,752)
Payment for Intangibles	(8,002,447)	-
Maturity of bank deposits	170,000,000	(170,000,000)
Proceeds from sale of investment	74,493,639,498	-
Purchase of investment	(87,133,353,196)	(892,077,000)
Net cash flow from investing activities(B)	(12,474,273,971)	(1,050,622,398)
C. Cash flow from financing activities		
Proceeds from borrowings (net of repayment)	19,573,088,591	8,008,434,591
Proceed from issue of shares (net of issue expenses)	999,000,000	2,481,000,000
Net cash flow from financing activities(C)	20,572,088,591	10,489,434,591
Net increase/(decrease) in cash and equivalents(A+B+C)	99,909,914	(1,059,801,673)
Cash and cash equivalents at the beginning of the year	3,685,373	1,063,487,046
Cash and cash equivalents at the end of the year	103,595,287	3,685,373

Note:

Cash and cash equivalents includes:

Cash

Balance with banks

	March 31, 2015	March 31, 2015
Cash	3,795	1,954
Balance with banks	103,591,492	3,683,419
	103,595,287	3,685,373

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



per Viren H. Mehta
Partner

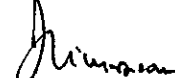
Membership No. :- 048749

Place: Mumbai


Date: April 15, 2015



For and on behalf of the board of Axis Finance Limited



Srinivasan Varadarajan
Chairman
DIN No : 00033882



Amith Iyer
Chief Financial Officer
PAN No : AAJPI3172J



Bipin 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, 2015

1. Corporate information

Axis Finance Limited (Formerly Axis Finance Private Limited, 'the Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act 2013. The Company is 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. 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 judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

II. Cash flow statement

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Company are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments

III. 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 the 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 and 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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IV. Fixed assets

Fixed assets are stated at cost, net off 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.

V. Depreciation

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year i.e. from April 01, 2014, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact of the current year is likely to hold good for the future years also.

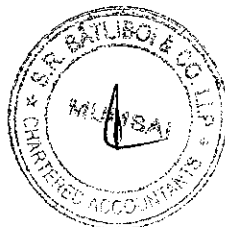
(a) Useful lives/depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II of the Companies Act 2013 prescribes useful lives for fixed assets which in many cases are different from lives prescribed under the erstwhile schedule XIV. However Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimates of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the Company.

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

Assets	Estimated Useful Life (in years)
Tangible Assets:	
Land & building	60
Computers	3
Furniture & Fixtures	10
Office Equipment	5
Vehicles	4
Intangible Assets:	
Software	5



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VI. 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.

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.

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 is made, as per notification DNBS.PD.CC.No.207/03.02.002/2010-11 issued by reserve bank of India, 0.25% of the outstanding standard assets.

VIII. Loans

In accordance with the RBI guidelines, all loans are classified under any of four categories i.e. (i) standard assets, (ii) substandard assets, (iii) doubtful assets and (iv) loss assets.

IX. 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. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

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.



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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.

X. 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 is ready for its intended use. Other borrowing costs are charged to the statement of Profit and Loss.

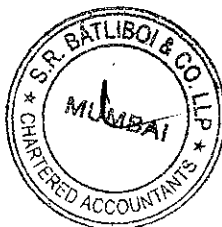
XI. Taxes on income

- 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.
- 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 or virtually 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 reasonable 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 taxes relate to the same taxable entity and the same taxation authority.

XII. 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.



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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 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

XIII. 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.

XIV. 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.

XV. 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.

XVI. Cash and cash equivalent

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.



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Notes to Financial Statements for the year ended March 31, 2015

3. Share capital

	March 31, 2015 ₹	March 31, 2014 ₹
Authorized:		
330,000,000 (31 March 2014: 260,000,000) equity shares of ₹10/- each	3,300,000,000	2,600,000,000
Nil (31 March 2014: 40,000,000) preference shares of ₹10/- each*	-	400,000,000
	<u>3,300,000,000</u>	<u>3,000,000,000</u>
Issued, subscribed and fully paid-up:		
31,82,50,000 (31 March 2014: 255,750,000) equity shares of ₹10/- each	<u>3,182,500,000</u>	<u>2,557,500,000</u>

* Preference shares are cancelled during F.Y. 2014-15

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

Equity shares

	March 31, 2015		March 31, 2014	
	No.	₹	No.	₹
At the beginning of the year	255,750,000	2,557,500,000	5,750,000	57,500,000
Issued during the year	62,500,000	625,000,000	250,000,000	2,500,000,000
Outstanding at the end of the year	<u>318,250,000</u>	<u>3,182,500,000</u>	<u>255,750,000</u>	<u>2,557,500,000</u>

Preference shares

	March 31, 2015		March 31, 2014	
	No.	₹	No.	₹
At the beginning of the year	-	-	-	-
Redeemed/converted during the year	-	-	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of the number of shares held by the shareholders.

(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/associates

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

Name of shareholder	March 31, 2015 ₹	March 31, 2014 ₹
Axis Bank Limited, the holding Company and its nominees		
318,250,000 (March 31 2014: 255,750,000) equity shares of ₹10/- each	<u>3,182,500,000</u>	<u>2,557,500,000</u>

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

Name of shareholder	March 31, 2015		March 31, 2014	
	No.	% of holding	No.	% of holding
Equity shares of ₹10 each fully paid				
Axis Bank Limited, the holding Company and its nominees	318,250,000	100%	255,750,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserve and surplus

	March 31, 2015 ₹	March 31, 2014 ₹
Security premium reserve		
Balance as per last Balance Sheet	826,000,000	845,000,000
Add:- Addition during the year	375,000,000	-
Less:- Utilization during the year against share issue expense	<u>1,000,000</u>	<u>19,000,000</u>
Balance at the end of the year	<u>1,200,000,000</u>	<u>826,000,000</u>
Statutory reserve u/s 45-IC of RBI Act		
Balance as per last Balance Sheet	148,100,000	81,100,000
Add:- Addition during the year	<u>156,400,000</u>	<u>67,000,000</u>
Balance at the end of the year	<u>304,500,000</u>	<u>148,100,000</u>
Surplus in the statement of profit and loss		
Balance as per last Balance Sheet	589,445,574	321,673,747
Profit for the year	781,645,045	334,771,827
Less:-Transfer to statutory reserve	<u>(156,400,000)</u>	<u>(67,000,000)</u>
Balance at the end of the year	<u>1,214,690,619</u>	<u>589,445,574</u>
Total	<u>2,719,190,619</u>	<u>1,563,545,574</u>



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5. Long term borrowings

	Non-current portion		Current maturities*	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
Debentures:Secured	2,884,000,000	-	1,100,000,000	-
Total	2,884,000,000	-	1,100,000,000	-

* Amount disclosed under the head 'Other current liabilities' (Refer Note No.7).

a. Security details for Secured non convertible debentures

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

b. Particulars of Secured non convertible debentures

Particulars	Face Value	Quantity	Date of Redemption	As at March 31, 2015	As at March 31, 2014
8.7535% AFL 21/01/2016	1,000,000	500	January 21, 2016	500,000,000	-
Zero% AFL, 20th November 2017	1,000,000	300	November 20, 2017	300,000,000	-
Zero% AFL, 20th November 2017	1,000,000	70	November 20, 2017	70,000,000	-
Zero% AFL, 20th November 2017	1,000,000	130	November 20, 2017	130,000,000	-
Zero% AFL, 3rd March 2017	1,000,000	250	March 03, 2017	250,000,000	-
8.5565% AFL 3rd March 2016	1,000,000	600	March 03, 2016	600,000,000	-
Zero% AFL, 12th April 2018	1,000,000	150	April 12, 2018	150,000,000	-
Zero% AFL, 10th April 2018	1,000,000	130	April 10, 2018	130,000,000	-
Zero% AFL, 10th April 2018	1,000,000	70	April 10, 2018	70,000,000	-
8.84% AFL, 08th March 2018	1,000,000	50	March 08, 2018	50,000,000	-
8.7944% AFL, 24th April 2018	1,000,000	180	April 24, 2018	180,000,000	-
8.7731% AFL, 28th March 2018	1,000,000	500	March 28, 2018	500,000,000	-
Zero% AFL, 2nd May 2017	1,000,000	384	May 02, 2017	384,000,000	-
Zero% AFL, 10th April 2017	1,000,000	110	April 10, 2017	110,000,000	-
Zero% AFL, 10th April 2017	1,000,000	60	April 10, 2017	60,000,000	-
Zero% AFL, 3rd April 2018	1,000,000	350	April 03, 2018	350,000,000	-
Zero% AFL, 27th March 2018	1,000,000	150	March 27, 2018	150,000,000	-
Total				3,984,000,000	-

6. Short term borrowings

	March 31, 2015	March 31, 2014
	₹	₹
Secured		
Loan from banks	4,511,121,435	2,764,328,623
Unsecured		
Loan from banks	320,687,445	460,459,931
Unsecured commercial paper	20,180,000,000	4,990,000,000
Less: Unexpired Discount	(314,285,698)	(206,353,963)
Total	24,697,523,182	8,008,434,591

Short term borrowings amount to Rs. 4,511,121,435 (previous year Rs. 2,764,328,623) referred above are secured by parri passu first charge on all present and future book debts, receivables, loan assets of the Company. This carry interest @ 9.50% to 10.5%

Unexpired discount on commercial paper is net of Rs 283,604,558 (previous year Rs. 91,396,986) towards interest accrued but not due. These carries interest 8.75% to 11.50%.In respect of commercial paper maximum amount outstandin during the year was Rs 19,880,523,112. (previous year Rs. 5,745,559,205)

7. Other liabilities

	Long term		Short term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
Current maturities of long term borrowings	-	-	1,100,000,000	-
Interest accrued but not due	31,296,176	-	23,971,355	-
Interest received in advance	-	-	84,760	-
Creditors for expenses				
-Due to holding Company 'Axis Bank Limited'	-	-	6,439,752	6,392,869
-Due to others	-	-	4,820,530	9,141,536
-Undisputed statutory dues	-	-	2,028,652	1,141,126
Total	31,296,176	-	1,137,345,049	16,675,531

8. Provisions

	Long term		Short term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	₹	₹	₹	₹
Provision against standard assets	18,552,044	13,991,000	35,837,256	15,109,000
Provision for employee benefits				
-Provision for compensated absences	-	-	1,035,016	487,378
-Provision for gratuity	-	-	819,223	1,621,477
-Employee benefit payable	-	-	8,123,000	6,772,000
Total	18,552,044	13,991,000	45,814,495	23,989,855

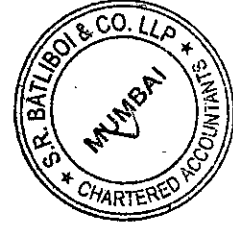


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AXIS FINANCE LIMITED
(Formerly Axis Finance Private Limited)

9. Fixed assets

Particulars	(Amount in Indian Rupees)								
	Gross block			Depreciation		Net block			
	As at April 01, 2014	Addition during the year/period	Deductions/A adjustments	As at March 31, 2015	As at April 01, 2014	Provided during the year/period	Deductions/A adjustments	As at March 31, 2015	As at March 31, 2014
A. Tangible assets :									
Computers	198,117	1,043,825	-	1,241,942	58,585	252,495	-	311,080	139,532
Office equipment	260,892	16,001	-	276,893	18,513	58,825	-	77,338	242,379
Furniture & fixtures	100,223	-	-	100,223	5,931	10,022	-	15,953	94,292
Vehicles	-	651,427	-	651,427	-	33,018	-	33,018	-
Land and Building	-	450,000	-	450,000	-	2,836	-	2,836	-
Total - Tangible Assets (A)	559,232	2,161,253	-	2,720,485	83,029	357,196	-	440,225	476,203
B. Intangible Assets :									
Software	-	435,091	-	435,091	-	51,972	-	51,972	-
Total - Intangible Assets (B)	-	435,091	-	435,091	-	51,972	-	51,972	-
Total (A+B)	559,232	2,596,344	-	3,155,576	83,029	409,168	-	492,197	476,203
Capital Work-in-Progress									
Total								7,567,356	476,203



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10. Investment

	Non current		Current	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
Investment in debenture/bonds (valued at cost unless stated otherwise)				
<u>Quoted</u>				
110 (Previous year Nil) Annapurna Microfinance Private Limited (redeemable on 15 April 2016)	30,018,106	-	-	-
110 (Previous year Nil) Arohan Financial Services Private Limited (redeemable on 15 April 2016)	29,977,841	-	-	-
66 (Previous year Nil) Asirvad Micro Finance Private Limited (redeemable on 15 April 2016)	18,010,863	-	-	-
500 (Previous year Nil) Dalmia Cement (Bharat) Limited	-	-	500,000,000	-
100 (Previous year Nil) Disha Microfin Private Limited (redeemable on 15 April 2016)	27,179,200	-	-	-
110 (Previous year Nil) Future Financial Services Ltd (redeemable on 15 April 2016)	29,897,120	-	-	-
78 (Previous year Nil) India School Finance Company (redeemable on 15 April 2016)	21,285,566	-	-	-
77 (Previous year Nil) Intrepid Finance and Leasing Private Limited (redeemable on 15 April 2016)	21,040,769	-	-	-
110 (Previous year Nil) Pahal Financial Services (redeemable on 15 April 2016)	30,018,106	-	-	-
132 (Previous year Nil) Suryoday Microfinance Private Limited (redeemable on 15 April 2016)	35,827,995	-	-	-
89 (Previous year Nil) Svasti Microfinance Private Limited (redeemable on 15 April 2015)	-	-	3,718,212	-
99 (Previous year Nil) SV Creditline Private Limited (redeemable on 15 April 2016)	27,016,295	-	-	-
4,420 (Previous year 64,720) 8.67% National Hydroelectric Power Corporation (redeemable on 02	4,420,000	64,420,000	-	-
767 (Previous year 97,167) 8.67% Power Finance Corporation (redeemable on 16 November 2033)	767,000	97,167,000	-	-
Nil (Previous year 36,098) 8.76% National Housing Bank (redeemable on 13 January 2034)	-	180,490,000	-	-
<u>Unquoted</u>				
Nil(Previous year 5500) SGGD Projects Development Private Limited(redemable on 28 September 2015)	-	555,955,461	-	-
760 (Previous year Nil) Azalea Enterprises Private Limited (redeemable on 16 March 2019)	760,000,000	-	-	-
Investment in Mutual funds (valued at lower of cost or market value)				
<u>Unquoted</u>				
Axis Liquid Fund - IP - Growth	-	-	12,000,000,000	-
Total	1,035,458,861	898,032,461	12,503,718,212	-

- Aggregate amount of quoted investment (Market value Rs.794,162,215) (previous year Rs. 352,961,290)
- Aggregate amount of unquoted investments at cost Rs. 12,760,000,000 (previous year 555,955,461)

11. Loans

	Non current		Current	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
Secured loans	7,420,817,575	5,596,200,000	12,282,383,921	5,448,006,559
Unsecured loans	-	-	1,250,000,000	-
Total	7,420,817,575	5,596,200,000	13,532,383,921	5,448,006,559

The classification of loans under RBI guidelines is as under

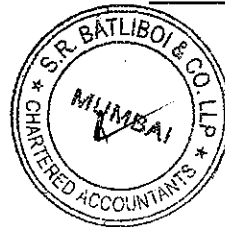
	March 31, 2015 ₹	March 31, 2014 ₹
(i) Standard assets	20,953,201,496	11,044,206,559
(ii) Sub-standard assets	-	-
(iii) Doubtful assets	-	-
(iv) Loss assets	-	-

Loans to the extent of Rs. 19,703,201,496 (Previous year Rs. 11,044,206,559) are secured by:

- Hypothecation of assets and/or
- Mortgage of property and/or
- Bank guarantees, Company guarantee or personal guarantee and/or
- Pledge of shares

12. Others

	Non-current		Current	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
Other loans and advances				
Security deposits, unsecured, considered good	6,500,000	6,500,000	-	-
Advance tax (net of provision for tax)	21,125,516	20,412,761	-	-
Prepaid expenses	-	-	3,452,652	169,991
Other advances	-	-	20,850	1,429,354
Total	27,625,516	26,912,761	3,473,502	1,599,345



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13. Trade receivables and other assets

13.1 Trade receivables

	Non-current		Current	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
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	-	-	-	1,248,136
	-	-	-	1,248,136
Provision for doubtful receivables	-	-	-	(1,248,136)
(A)	-	-	-	-
Outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good	-	-	30,775,120	50,562
Doubtful	-	-	-	-
	-	-	30,775,120	50,562
Provision for doubtful receivables	-	-	-	-
(B)	-	-	30,775,120	50,562
Total (A) + (B)	-	-	30,775,120	50,562

13.2 Other assets

	Non-current		Current	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
Interest accrued but not due on fixed deposit	-	-	-	10,229,606
Interest accrued but not due on others	7,640,605	-	22,326,052	18,660,616
Total	7,640,605	-	22,326,052	28,890,222

14. Cash and bank balances

	Non-current		Current	
	March 31, 2015 ₹	March 31, 2014 ₹	March 31, 2015 ₹	March 31, 2014 ₹
Cash and cash equivalents:				
- Cash on hand	-	-	3,795	1,954
Balances with banks:				
- On current accounts	-	-	103,591,492	3,683,419
- Deposits with original maturity for less than 3 months	-	-	-	-
A	-	-	103,595,287	3,685,373
Other bank balances				
- Deposits with original maturity for more than 12 months	-	-	-	-
- Deposits with original maturity for more than 12 months under lien	-	-	-	170,000,000
- 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	-	-	-	170,000,000
Total (A+B)	-	-	103,595,287	173,685,373

15. Revenue from operations

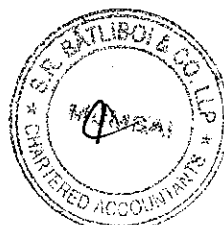
	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
	Interest income	
Interest income on loans	1,748,601,140	444,952,330
Interest income on investments	84,197,450	50,534,804
Other operating revenue		
Income from processing fees	256,759,327	132,314,671
Income from advisory fees	49,450,000	39,891,500
Profit on sale of investments	92,440,424	64,932,616
Other operating income	5,559,216	15,603,518
Total	2,237,007,557	748,329,439

16. Other income

	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
	Interest on fixed deposit	5,603,427
Total	5,603,427	11,988,354

17. Employee benefits expense

	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
	Salaries	63,138,086
Contribution to provident & other funds	1,318,820	840,549
Staff welfare	440,330	45,852
Total	64,897,236	49,200,381



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18. Finance costs

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Interest on loan from bank and other financial expenses	921,280,653	147,373,950
Other finance expenses	11,881,445	6,271,597
Total	933,162,098	153,645,547

19. Provisions and write off

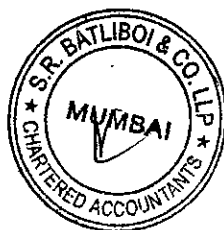
	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Provision against standard assets	25,289,300	28,475,000
Total	25,289,300	28,475,000

20. Other expense

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Rent	9,614,028	8,578,063
Electricity expenses	909,012	724,344
Repairs and maintenance - others	1,606,962	552,640
Printing and stationery	237,282	129,310
Travelling and conveyance	2,906,074	2,288,279
Professional fees	6,427,480	7,766,215
CSR expenditure	5,356,390	-
Director sitting fees	150,000	-
Stamp Duty	2,273,500	9,680
Auditors remuneration:		
Statutory audit	1,400,000	1,100,000
Telephone and internet expenses	537,944	420,571
Business promotion	1,839,188	85,452
Rates & taxes	642,190	-
Service charges	1,024,865	446,353
Office expenses	1,017,693	775,260
Service tax exps	6,689,378	-
Miscellaneous expenses	2,303,864	962,514
Total	44,935,850	23,819,321

21. Depreciation and amortization expense

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Depreciation of tangible assets	409,168	57,549
Total	409,168	57,549



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22. Estimated amount of contracts remaining to be executed on capital account – ₹ 1,515,000 (Previous Year ₹ Nil).
23. There is no contingent liability as at March 31, 2015 (previous year ₹ Nil).
24. There are no restructured loans as at March 31, 2015
25. Basic and Diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earnings per share"

Particulars		2014 – 2015 ₹	2013 – 2014 ₹
Basic			
Profit after tax as per Statement of Profit and Loss	A	781,645,045	334,771,825
Weighted Average Number of Shares	B	271,160,959	217,393,836
Basic Earnings per share	A/B	2.88	1.54
Diluted			
Adjusted Profit after tax	C	781,645,045	334,771,825
Weighted Average Number of Shares	D	271,160,959	217,393,836
Diluted Earnings per share	C/D	2.88	1.54
Nominal Value per share		10	10

26. Segment Information :

'The Company is engaged primarily in the NBFC 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")

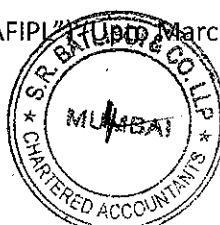
Enam International Limited ("EIL") (Upto August 24, 2014)

Key management person

Mr. Bipin K Saraf, MD

Joint Venture of Holding Company

Bussan Auto Finance India Private Limited ("BAFIPI") (Upto March 30, 2015)

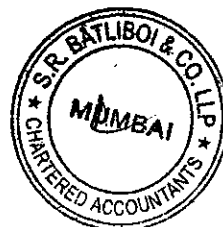


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Transactions with related parties

Particulars	Holding Company ₹	Fellow Subsidiary ₹	Key Management Personnel ₹	Total ₹
Income				
Processing fees (ABL)	27,901,326 (-)	- (-)	- (-)	27,901,326 (-)
Interest on fixed Deposit (ABL)	5,603,427 (11,988,354)	- (-)	- (-)	5,603,427 (11,988,354)
Dividend Received (AAMCL)	- (-)	1,396,164 (-)	- (-)	1,396,164 (-)
Gratuity Received (ACL)	- (-)	53,954 (-)	- (-)	53,954 (-)
Capital Receipts and Payments				
Purchase of fixed asset (ABL)	651,427 (-)	- (-)	- (-)	651,427 (-)
Issue of Equity Share Capital (Including Share premium) (ABL)	1,000,000,000 (-)	- (-)	- (-)	1,000,000,000 (-)
Issue of Preference Shares (AAMCL)	- (-)	200,000,000 (-)	- (-)	200,000,000 (-)
Redemption of Preference Shares (AAMCL)	- (-)	200,000,000 (-)	- (-)	200,000,000 (-)
Expenses				
Rent paid (ABL)	9,612,300 (7,583,036)	- (-)	- (-)	9,612,300 (7,583,036)
Bank charges (ABL)	9,715 (48,613)	- (-)	- (-)	9,715 (48,613)
Recovery of expenses (ACL)	- (-)	- (771,995)	- (-)	- (771,995)
Reimbursement of staff cost (ABL)	26,979,669 (23,035,671)	- (-)	- (-)	26,979,669 (23,035,671)
Commission charges	- (160,000)	- (-)	- (-)	- (160,000)
Interest paid on borrowings (ABL)	15,900,549 (12,681,680)	- (-)	- (-)	15,900,549 (12,681,680)
Internet charges paid (ASL)	- (-)	117,572 (27,833)	- (-)	117,572 (27,833)
Demat Charges (ASL)	- (-)	71,898 (-)	- (-)	71,898 (-)
Professional fees (ATSL)	- (-)	500,000 (25,000)	- (-)	500,000 (25,000)
Salary and contribution to PF	- (-)	- (-)	10,420,407 (10,233,725)	10,420,407 (10,233,725)
Service charges (ACL)	- (-)	995,564 (446,087)	- (-)	995,564 (446,087)



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Formerly Axis Finance Private Limited

Other Reimbursement of Expenses (ABL)	5,976,868 (1,981,933)	- (-)	- (-)	5,976,868 (1,981,933)
Closing Balance				
Share Capital (ABL)	3,182,500,000 (2,557,500,000)	- (-)	- (-)	3,182,500,000 (2,557,500,000)
Sundry receivables (ABL)	- (5,620)	- (-)	- (-)	- (5,620)
Short term borrowings (ABL)	320,687,445 (621,180,136)	- (-)	- (-)	320,687,445 (621,180,136)
Fixed deposit (ABL)	- (170,000,000)	- (-)	- (-)	- (170,000,000)
Interest receivable (ABL)	- (10,229,606)	- (-)	- (-)	- (10,229,606)
Current account balance (ABL)	101,457,220 (3,429,990)	- (-)	- (-)	101,457,220 (3,429,990)
Processing fees Receivable (ABL)	17,571,610 (-)	- (-)	- (-)	17,571,610 (-)
Sundry payables (ABL)	6,439,752 (6,398,489)	- (-)	- (-)	6,439,752 (6,398,489)
Sundry payables (ASL)	- (-)	25,583 (5,711)	- (-)	25,583 (5,711)
Sundry payables (ATSL)	- (-)	- (25,590)	- (-)	- (25,590)
Sundry payables (ACL)	- (-)	- (456,615)	- (-)	- (456,615)

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 whole.
3. Figures in bracket pertain to previous year.

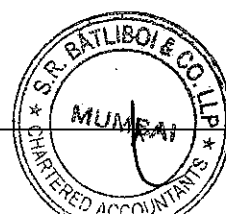
28. Gratuity and other benefit plans

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)*:

	2014-15 (₹)	2013-14 (₹)
Current service cost	179,382	41,674
Interest cost on benefit obligation	175,494	13,020
Expected return on plan assets	(23,399)	(8,766)
Net actuarial (gain)/loss recognized in the year	488,014	(568,675)
Past service cost	-	-
Transferred from group Company	-	-
Net benefit expense/(income)	819,491	(522,747)



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Provision for gratuity recognized in Balance Sheet*:

	2014-15 (₹)	2013-14 (₹)
Projected benefit obligation	(2,709,067)	1,870,934
Fair value of plan assets	1,889,884	249,457
Less: Unrecognised past service cost	-	-
Plan liability	819,223	1,621,477

Actual return on plan assets

	2014-15 (₹)	2013-14 (₹)
Expected return on plan assets	23,399	8,766
Actuarial gains/(losses) on plan assets	(4,757)	-
Actual Return on plan assets	18,642	8,766

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

	2014-15 (₹)	2013-14 (₹)
Opening projected benefit obligation	1,870,934	166,920
Interest cost	175,494	13,020
Current service cost	179,382	41,674
Liability transferred in	-	2,217,995
Actuarial (gains)/losses on obligation	483,257	(568,675)
Closing projected benefit obligation	2,709,067	1,870,934

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

	2014-15 (₹)	2013-14 (₹)
Opening fair value of plan assets	249,457	116,883
Expected return	23,399	8,766
Contributions by employer	1,621,745	123,808
Benefits paid	-	-
Actuarial gains/(losses)	(4,757)	-
Closing fair value of plan assets	1,889,844	249,457

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

Gratuity	March 31, 2015	March 31, 2014
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. There has been significant change in expected rate of return on assets due to the improved stock market scenario.



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

	2014-15	2013-14
Discount rate	7.95%	9.38%
Expected rate of return on assets	7.97%	9.38%
Employee turnover	5.00%	2.00%
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 periods are as follows*:

	2014-15 (₹)	2013-14 (₹)
Projected benefit obligation	2,709,067	1,870,934
Plan assets	1,889,844	249,457
(Surplus) /deficit	819,223	1,621,477
Experience adjustments on plan liabilities	-	-
Experience adjustments on plan assets	-	-

*Information provided to the extent of information available with the Company.

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:-

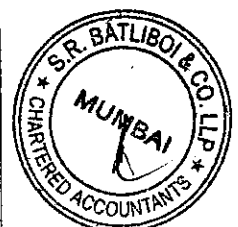
Deferred Tax Asset/(Liability)	2014-15 (₹)	2013-14 (₹)
Depreciation	(124,603)	(32,266)
Provision for leave encashment	(186,142)	-
Provision on standard assets and doubtful debts	18,486,923	10,315,331
Total	18,176,178	10,283,065

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 Rs. 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	2014-15	2013-14*
(i)	CRAR (%)	17.18%	34.59%
(ii)	CRAR- Tier I Capital (%)	17.02%	34.35%
(iii)	CRAR- Tier II Capital (%)	0.16%	0.24%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-



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33. Exposure to Real Estate Sector

(ii) Exposure to Real Estate Sector	2014-15 ₹	2013-14* ₹
a) Direct Exposure		
(i) Residential Mortgages	20,111,449	-
(ii) Commercial Real Estate	5,969,861,325	3,913,924,832
(iii) Investment in Mortgage Backed Securities(MBS) and other securitised exposures	-	-
(a) Residential	-	-
(b) Commercial Real Estate	-	-
b) Indirect Exposure	-	-
Investment in Tax free bond of National Housing Bank	-	180,490,000
Total Exposure to Real Estate Sector	5,989,972,774	4,094,414,832

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

35. The Company has not entered 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 2015 and 31 March 2014 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.

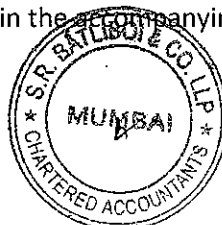
38. There are no registrations obtained from other financial sector regulator (other than RBI) by the Company in current year and previous year.

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 has accredited a long term rating of IND AAA for Rs. 800 crs and a short term rating of IND A1+ for Rs. 5000 crs to the Company.

Name of Rating Agency	Type	Ratings	Amount (Rs. in crores)	Tenure	Validity
India Ratings and Research Private Limited	Long term	IND AAA	800	-	-
	Short term	IND A1+	5,000	12 months	31 st March, 2016

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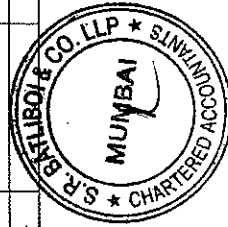
42. Asset Liability Management Maturity pattern of certain items of assets and liabilities

Financial year 2014-15

Liabilities	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	1,452,242,212	370,833,333	1,212,051,526	4,177,028,074	6,790,228,694	6,622,717,575	281,200,000	46,900,000	20,953,201,414
Investments	12,025,990,073	20,666,667	20,666,667	62,000,000	624,000,000	780,666,667	-	5,187,000	13,539,177,074
Borrowings	8,565,989,695	3,461,091,559	3,485,618,916	1,760,508,912	8,524,314,086	1,354,000,000	1,530,000,000	-	28,681,523,168
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Financial year 2013-14

Liabilities	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	492,631,424	500,000,090	1,249,612,644	2,472,083,837	2,980,506,342	2,649,372,222	700,000,000	-	11,044,206,559
Investments	-	-	-	-	-	555,955,461	-	342,077,000	898,032,461
Borrowings	497,868,857	789,669,135	981,241,528	1,607,202,015	5,578,934,867	-	-	-	9,454,916,402
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

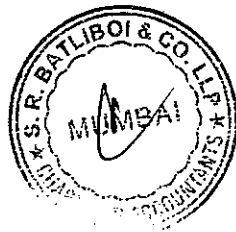


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43. Investments

		(Amount in ₹)	
Particulars		Current Year	Previous Year
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	13,539,177,074	898,032,461
	(b) Outside India,	-	-
	(ii) Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India,	-	-
	(iii) Net Value of Investments		
	(a) In India	13,539,177,074	898,032,461
	(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 transaction entered by the Company in 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 purchase/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 in current year and previous year.



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48. Exposure to Capital Market

		(Amount in ₹)	
Particulars		2014-15	2013-14
(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;	1,335,605,140	165,000,561
(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;	9,773,698,513	6,878,090,136
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		11,109,303,653	7,043,090,697

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	Current Year ₹	Previous Year ₹
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	400,165,400	180,000,000
Other Provisions and Contingencies	-	-
Provision for Standard Assets	25,289,300	28,475,000
Total	425,454,700	208,475,000



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

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51. Concentration of Advances

Concentration of Advances	2014-15	2013-14
Total Advances to Twenty Largest Borrowers	₹ 1145.47 crores	₹ 846.52 crores
Percentage of Advances to Twenty Largest Borrowers to Total Advances	54.67%	76.65%

52. Concentration of Exposures

Concentration of Exposures	2014-15	2013-14
Total Exposure to Twenty Largest Borrowers / customers	₹ 1145.47 crores	₹ 846.52 crores
Percentage of Exposures to Twenty Largest Borrowers / Customers to Total Exposure of Axis Finance on borrowers / customers	53.80%	76.65%

53. There are no NPA's of the Company for the current year as well as previous year.

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

55. Customer Complaints

		2014-15	2013-14
(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. Previous year figures have been re-grouped, re-classified wherever necessary to conform to current year's presentation.

For and on behalf of the board of Axis Finance Limited



Srinivasan

Srinivasan Varadarajan
Chairman
DIN No: 00033882

Bipin

Bipin Saraf
Director
DIN No: 06416744

Amith Iyer

Amith Iyer
Chief Financial Officer
PAN No: AAJPI3172J

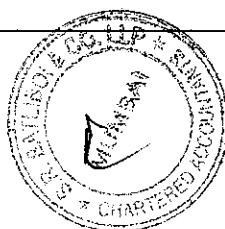
Rajneesh Kumar

Rajneesh Kumar
Company Secretary
Membership No: A31230

Notes forming part of financial statements for the year ended March 31, 2015

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

		(₹)	
		Amount outstanding	Amount overdue
Liabilities side :			
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	4,039,267,531	-
	: Unsecured (other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	19,865,714,302	-
	(f) Other Loans (Bank's Line of Credit)	4,831,808,880	-
Assets side :			
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	19,703,201,496	
	(b) Unsecured	1,250,000,000	
(3)	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	-	

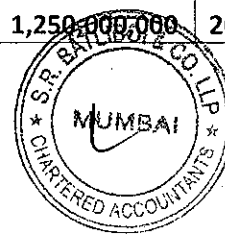


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AXIS FINANCE LIMITED
Formerly Axis Finance Private Limited

(4)	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	503,718,212
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	12,000,000,000
	(iv) Government Securities	
	(v) Others (please specify)	
	Long Term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	275,458,862
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	760,000,000
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
		13,539,177,074

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above :			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	19,703,201,496	1,250,000,000	20,953,201,496
	Total	19,703,201,496	1,250,000,000	20,953,201,496



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AXIS FINANCE LIMITED
Formerly Axis Finance Private Limited

(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	13,553,419,164	13,539,177,074
	Total	13,553,419,164	13,539,177,074

* Disclosure is made in respect of available information

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

(7) Other information		
	Particulars	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 :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
- 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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