

Singhi & Co.
Chartered Accountants
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B. K. Khare & Co.
Chartered Accountants
706-708, Sharda Chambers
New Marine Lines,
Mumbai – 400 020, India

Independent Auditors' Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors
Axis Finance Limited

Report on the Audit of financial results

Opinion

We have audited the accompanying Statement of Financial Results of Axis Finance Limited ("the Company" / "NBFC") for the quarter and period ended June 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. is presented in accordance with the requirements of regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and period ended June 30, 2022.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 5 to the Financial Results, as regards the management's assessment of the financial impact due to restrictions and possible effects of the COVID 19 Pandemic.

Our opinion is not modified in respect of this matter.

Board of Directors' Responsibility for the Financial Results

These financial results have been compiled from the interim financial statements. The Company's Board of Directors are responsible for the preparation of Statement that gives a true and fair view of the net profit, other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial

Reporting" specified under section 133 of the Act and other accounting principles generally accepted in India and in compliance with regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Singhi & Co.
Chartered Accountants

B. K. Khare & Co.
Chartered Accountants

- Evaluate the overall presentation, structure and content of the Statements, including the disclosures, and whether the Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The comparative financial results of the Company as stated in statement for the quarter and period ended June 30, 2021 were audited by the predecessor auditor who expressed an unmodified opinion on those financial results on July 23, 2021. Accordingly, we, do not express any opinion, as the case may be, on the figures reported in the financial results for the quarter and period ended June 30, 2021.

The Statement includes comparative financial results of the Company for the quarter and year ended March 31st, 2022 were audited by Singhi & Co., one of the Joint Auditor, where they have expressed an unmodified opinion vide report dated April 14, 2022.

Our opinion is not modified in respect of this matter.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

**Shweta
Singhal**
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by Shweta
Singhal
Date: 2022.07.14
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Shweta Singhal
Partner
Membership No. 414420
UDIN:- 22414420AMVWCH5819
Place: Mumbai
Date: July 14, 2022

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

**Shirish Suresh
Rahalkar**
Digitally signed by
Shirish Suresh Rahalkar
Date: 2022.07.14
18:01:42 +05'30'

Shirish Rahalkar
Partner
Membership No. 111212
UDIN :- 22111212AMUYIM1393
Place: Mumbai
Date: July 14, 2022

AXIS FINANCE LIMITED
Statement of Financial Results for the quarter ended June 30, 2022

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

Particulars	For the Quarter ended June 30, 2022	For the Quarter ended March 31, 2022	For the Quarter ended June 30, 2021	For the year ended March 31, 2022
Particulars	Audited	Audited	Audited	Audited
Revenue from operations				
Interest Income	45,341.87	41,464.71	31,069.83	1,44,952.75
Fees and commission Income	419.47	261.90	67.29	624.94
Net gain on fair value changes	18.45	471.14	172.22	2,434.74
Net gain/(loss) on derecognition of financial instruments under amortised cost category	170.76	699.10	-	3,055.01
Total Revenue from operations	45,950.55	42,896.85	31,309.34	1,51,067.44
Other Income	-	-	-	-
Total income	45,950.55	42,896.85	31,309.34	1,51,067.44
Expenses				
Finance Costs	23,493.02	19,890.76	14,693.44	69,218.46
Impairment on financial instruments	1,282.27	1,182.04	2,644.56	7,287.83
Employee benefits expenses	4,437.09	3,922.85	2,732.18	13,495.12
Depreciation, amortization and impairment	336.46	340.54	197.49	1,019.27
Others expenses	2,228.95	4,495.92	1,958.35	13,643.57
Total expenses	31,777.79	29,832.11	22,226.02	1,04,664.25
Profit before exceptional items and tax	14,172.76	13,064.74	9,083.32	46,403.19
Exceptional Items	-	-	-	-
Profit before taxes	14,172.76	13,064.74	9,083.32	46,403.19
Tax expenses				
- Current Tax	3,495.65	3,795.78	2,758.88	13,006.87
- Deferred Tax	(42.67)	(490.46)	(381.76)	(1,237.62)
Profit for the quarter/year	10,719.78	9,759.42	6,706.20	34,633.94
Other Comprehensive Income				
(A) Items that will not be reclassified to profit and loss				
-Re-measurements of net defined benefit plans	(0.74)	(6.13)	(3.37)	(4.06)
-Income tax impact	(0.19)	(1.54)	(0.85)	(1.02)
Sub-total (A)	(0.55)	(4.59)	(2.52)	(3.04)
(B) Items that will be reclassified to profit and loss				
-Fair value changes on derivative designated as cash flow	(6.39)	34.59	-	6.39
-Income tax impact	(1.61)	8.70	-	1.61
Sub-total (B)	(4.78)	25.89	-	4.78
Other Comprehensive Income/(Loss) (A+B)	(5.33)	21.30	(2.52)	1.74
Total Comprehensive Income for the quarter/year	10,714.45	9,780.72	6,703.68	34,635.68
Paid-up Equity share capital (Face Value of ₹ 10 each)	56,543.81	53,851.25	48,225.00	53,851.25
Earnings per equity share (not annualised for quarter)				
Basic (₹)	1.94	1.91	1.39	7.08
Diluted (₹)	1.94	1.91	1.39	7.08



Notes:

1. The above financial results have been prepared in the format specified in Division III of Schedule III of Companies Act, 2013 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and in accordance with Indian Accounting Standards ("Ind AS") notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable.
2. The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on July 14, 2022. The Statutory Auditors have conducted audit and issued an unmodified opinion on the financial results for the quarter ended June 30, 2022.
3. The Covid 19 pandemic which impacted business and economies across the world over last two years, continues to pose uncertainties even till date. Management has evaluated the actual and potential impact of the pandemic on its financials.

The Company holds adequate impairment allowance as at June 30, 2022 against potential impact of COVID-19 based on the information available at this point in time. The impairment allowance held by the Company is in excess of the RBI prescribed norms. Based on the internal assessment undertaken, the Company believes it has sufficient liquidity to honour its liabilities due over the next 12 months.

4. The company is engaged primarily in the business of financing and also operates within India. Accordingly, there are no separate reportable segments as per Ind AS 108 - Operating Segment.
5. In terms of requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at June 30, 2022 and accordingly, amount required to be transferred to impairment reserve will be assessed at year end.
6. During the quarter ended June 30, 2022 the Company has issued 2,69,25,625 equity shares of ₹10 each at premium of ₹65 each amounting to ₹20,194.22 Lakhs to existing shareholders on rights basis.
7. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules / interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



8. Disclosure pursuant to RBI Circular - RBI/DOR/2021-22/86/DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

Particulars	June 30, 2022
Number of loans sold	2
Aggregate amount (₹ in Lakhs)	11,212.00
Sale consideration (₹ in Lakhs)	11,382.76
Number of transactions	2
Weighted average maturity (remaining)	0.86
Weighted average holding period (after origination)	1.77
Retention of beneficial economic interest (average)	0%
Coverage of tangible security coverage	1.2x to 2.5x
Rating wise distribution of rated loans	BBB+
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NIL
Number of transferred loans replaced	N.A.

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

9. Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended June 30, 2022 is attached as Annexure 1.
10. The financial results for the quarter ended June 30, 2021 were audited by erstwhile statutory auditors.
11. The results for the quarter ended June 30, 2022 are available on the BSE Ltd website www.bseindia.com and the Company's website www.axisfinance.in
12. Previous period / year figures have been regrouped / rearranged wherever necessary to conform to the current period/year figures.



For and on behalf of Board of
Directors
AXIS FINANCE LIMITED

**BIPIN KUMAR
SARAF**

Digitally signed by BIPIN
KUMAR SARAF
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Bipin Kumar Saraf
Managing Director & CEO
DIN: 06416744
Place: Mumbai
Date: July 14, 2022

Annexure 1

- 1) Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on June 30, 2022 are being utilized as per the objects stated in the offer document. Further we also confirm that there have been no deviations, in the use of proceeds of issue of NCDs from the objects stated in the offer document.
- 2) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all secured Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on June 30, 2022 are fully secured by first pari passu charge created over the freehold immovable properties, current assets, cash flows and receivables of the Company. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of offer document/Information Memorandum.
- 3) Disclosure as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015

Sr No.	Particulars	June 30, 2022	June 30, 2021
1	Debt - Equity Ratio	6.60	6.85
2	Debt service coverage ratio	Not applicable	Not applicable
3	Interest service coverage ratio	Not applicable	Not applicable
4	Outstanding redeemable preference shares (quantity and value)	Not applicable	Not applicable
5	Capital redemption reserve/debenture redemption reserve	Not applicable	Not applicable
6	Net worth as on (in ₹ Lakhs)	2,50,036.29	1,51,097.90
7	Net profit after tax for the quarter ended (in ₹ Lakhs)	10,719.78	6,706.20
8	Earnings per share for the quarter ended (in ₹) (not annualised)	1.94	1.39
9	Current ratio	Not applicable	Not applicable
10	Long term debt to working capital	Not applicable	Not applicable
11	Bad debts to Account receivable ratio	Not applicable	Not applicable
12	Current liability ratio	Not applicable	Not applicable
13	Total debts to total assets as on	0.85	0.86
14	Debtors turnover	Not applicable	Not applicable
15	Inventory turnover	Not applicable	Not applicable
16	Operating margin (%)	Not applicable	Not applicable
17	Net profit margin (%) for the quarter ended	23.33%	21.49%
18	Sector specific equivalent ratios as on		
	a) Gross Stage 3 asset	1.07%	2.78%
	b) Net Stage 3 asset	0.42%	1.75%
	c) CRAR	18.77%	19.78%
	d) Liquidity Coverage Ratio	202.47%	224.43%

