

Empowering Enterprises

Creating Lasting Value



Index

Corporate profile

Presence	2
About Axis Finance	4
Guided by GPS	6
The 5P Framework	8
Product Portfolio	10
Business Model	16
Digital Transformation	18
Customer Focus	22
Marketing Efforts	24
Chairman's Message	26
MD & CEO's Message	28
Key Performance Indicators	30
Operating Environment	32
Our Strategic Priorities	34
Environment	36
Social	38
Governance	42
Meet our Board of Directors	45
Corporate Information	46

Statutory reports

Board's Report	48
Management Discussion and Analysis	96
Notice	124

Financial statements

Independent Auditors' Report	140
Balance Sheet	152
Statement of Profit and Loss	153
Statement of Changes in Equity	154
Statement of Cash Flows	155
Notes	157



Amitabh Chaudhry
Chairman

Chairman's Message

Page 26



Sai Giridhar
Managing Director & CEO

MD & CEO's Message

Page 28

₹46,185 Crore
AUF ▲ 22%

₹48,175 Crore
AUM ▲ 20%

₹812 Crore
Profit After Tax ▲ 24%

14.23%
Return on Equity ▲ 7 bps

0.94%
Gross Non-performing Assets

0.48%
Net Non-performing Assets

For more details visit our website www.axisfinance.in or simply scan the QR code



▲ YoY Growth

Empowering Enterprises.

Creating Lasting Value.

At Axis Finance Limited (AFL), we believe in the transformative power of the Indian spirit. As a diversified NBFC, we have firmly positioned ourselves as the lender to the enterprises of India, dedicated to financing the evolving credit needs of India's underserved enterprises and retail segments across focused sectors. From the aspirations of individual households to the ambitions of mid-market corporates, we provide the capital that turns potential into progress.

Our approach is rooted in understanding the distinct realities of underserved and underpenetrated markets and responding with solutions that are both relevant and scalable. With a balanced portfolio spanning micro and prime, secured and unsecured offerings, we are expanding access through hyper-localised products and deeper penetration in rural and semi-urban markets.

As we scale, our focus is not just on growth but on creating lasting value through a resilient and well-diversified portfolio, disciplined risk management and strong customer franchises. By combining data-led insights with a calibrated expansion of our physical and digital presence, we are enhancing the quality of origination while maintaining consistency in performance. Our emphasis on long-term relationships, prudent underwriting and sustainable distribution ensures that value creation remains enduring for our customers, partners and stakeholders alike.



Closer to customers, across India

A well-calibrated physical network is the visible edge of a lending franchise. Every branch we open, every touchpoint we activate, and every pincode we unlock represents a deliberate choice—to serve enterprises and individuals where credit demand is real and access is uneven.

62%
Pincode coverage
53% in FY25

72
Branches

2,257
Employees
▲ 36% YoY

4
Call centres

1,120
Locations served
581 in FY25

Why RuSu is a strategic tilt, not a tactical one

A focus share of our portfolio is anchored in rural and semi-urban (RuSu) geographies, where credit penetration remains well below the national average and enterprise demand is rising. RuSu markets offer a rare combination: a large total addressable market, higher-yielding granular tickets, healthy risk-adjusted returns, diverse onboarding channels, and a lower cost of acquisition.



Our Portfolio is diversified across multiple geographies, reducing concentration and supporting balance growth.

Disclaimer: Map not to scale

The lending partner of choice

Axis Finance, a subsidiary of Axis Bank, is among India's fastest-growing non-banking financial companies, recognised for its consistent profitability and strong asset quality across credit cycles. Serving a wide spectrum of customers—from local kirana stores and self-employed professionals to mid-sized businesses and small and mid-corporates—we offer diversified and scalable financial solutions across Retail, MSME, SME, RE Funding and Corporate Lending. As Indian enterprises continue to play a pivotal role in driving economic progress, innovation, and employment, our differentiated product approach, customer-centric design, and strong execution capabilities enable us to deliver seamless experiences and consistently position us as a trusted long-term lending partner for both enterprises and individuals across their growth journey.

Vision

To be the preferred financial solutions provider excelling in customer delivery through insight, empowered employees and smart use of technology.

Values



Customer Centricity



Ethics



Transparency



Teamwork



Ownership

Our proposition

At the heart of what we do is a belief in the power of enterprise. India's economic momentum is driven by the diverse businesses we serve, and our proposition is built around meeting them where they are.

A balanced portfolio, built for a diverse India

Our secured and unsecured offerings together cover a broad spectrum of funding needs—working capital requirements, greenfield and brownfield project expansion plans, and fixed asset creation—across income segments. Aligned with our commitment to inclusivity, we continue to deepen our presence in underserved markets while catering to a diverse borrower base.



Why AFL



Metrics that matter

Financial metrics

19.65%

Capital adequacy ratio

₹48,175 Crore

Assets under management

4.51%

Net interest margin

Operational metrics

2,257

Total workforce

₹16.27 Crore

Annual CSR spend

AAA

Long-term credit rating

Diverse product architecture

A portfolio designed to serve a wide range of borrower profiles through differentiated underwriting lenses, judicious mix of income/cash-flow credit assessment tailored to local catchment or hyper-localised programme constructs, assessment-based programmes, and specialised regional programmes.

3 Lakh+

Total count of customers

Channel partner management

A well-distributed channel business across MSME and Retail, managed through automated dashboards that track both business performance and sourcing quality.

5 days

Channel pay-out TAT

400+

Active channel partners

Customer centricity

Digital onboarding

- » End-to-end digital journey across onboarding, sanction and disbursement
- » E-agreement capability enabling paperless loan execution
- » DigiLocker integration across products and a risk-based pricing model that aligns interest rates with borrower profiles

Customer experience

- » Consistent customer experience across call and web channels
- » Gen-AI-enabled service quality and sentiment monitoring

Strong geographic presence

A hub-and-spoke branch network that combines pan-India reach with local market depth, supported by an in-house sales force and an actively managed DSA ecosystem.

1,180

AFL sales force

62%

Pincode coverage

A unified approach

GPS—Growth, Profitability, and Sustainability—is the strategic compass that aligns every function at Axis Finance to a single, coherent direction. Each lever under each pillar ties to a measurable outcome, and every business plan is validated against all three. As we work towards becoming the financial solution partner to Indian enterprises, GPS keeps us disciplined on the how, even as the what evolves year on year.

Growth



- » Maintain the health and strong momentum of the asset portfolio
- » Deepen presence in RuSu markets
- » Accelerate Retail, MSME, and SME lending
- » Strengthen data-driven decision-making

Profitability



- » Strengthen cost efficiency
- » Enhance people productivity
- » Sustain a strong earnings trajectory
- » Maximise shareholder value

Sustainability



- » Ensure strong regulatory alignment
- » Foster a stable and engaged workforce
- » Leverage technology to drive operational agility
- » Maintain robust asset quality
- » Embed customer-centric thinking across operations

Aligning the vision plan with GPS

The GPS framework further acts as the anchor of our long-term vision plan leading up to FY 2028-29, shaped to create a unique value proposition across product, process, underwriting, and collection capabilities.

Growth aspirations

- » Accelerate customer acquisition through direct and digital channels
- » Scale up micro-secured and unsecured lending franchises
- » Further shift the portfolio towards the Retail, MSME, and SME segment
- » Augment branch network to enhance pin-code coverage and pan-India footprint
- » Continued strengthening of the tech spine to support scale

Sustainability anchors

- » Consistent, range-bound asset quality with risk cost maintained within defined guardrails
- » A customer-centric approach grounded in hyper-localised products and customer experience as the core of every decision
- » Continued investment in technology and people to sustain future growth
- » Attraction and retention of talent



Axis Bank Ltd.

The third largest private sector bank in India, offering the entire spectrum of financial services for personal and corporate banking.

Axis Finance Ltd.

'AAA' rated diversified NBFC, focused on providing lending solutions to enterprises of India.

Axis Capital Ltd.

India's leading financial experts in investment banking and institutional equities.

Axis Max Life Insurance Ltd.

Associate of the holding company, enabling loan-protect offerings to our retail customers through a strategic tie-up.



The One Axis ecosystem

We are a part of the larger Axis family, a full-spectrum financial services network that gives customers and stakeholders access to a complete suite of capabilities. The strength of the group across banking, lending, investment management, broking, insurance tie-ups, and digital payments extends the value we can deliver well beyond our own product shelf.

Axis Securities Ltd.

End-to-end broker, focussed on building an advisory model delivering class-leading experiences to our consumers.

Axis Asset Management Company Ltd.

Risk-managed investment solutions to both Retail and Institutional investors.

Axis Bank Foundation Ltd.

A purpose beyond profit.

Freecharge Payment Technologies Pvt. Ltd.

A complete digital financial services platform, covering Savings, Lending, Investments, Payments, and Insurance.

A. Treds Ltd.

India's largest TReDS platform that provides collateral-free capital for MSMEs.

Axis Pension Fund Management Ltd.

Complete suite of retirement solutions.

Axis Trustee Services Ltd.

A SEBI-registered Debenture Trusteeship service provider.

Profitability, built in layers



People

Our people are central to everything we do. As we expand the product portfolio, we strategically strengthen our teams to support that expansion.



Product

Our product strategy is rooted in contextual relevance. Offerings are designed in close alignment with the needs of specific micro-markets and customer segments, rather than as one-size-fits-all solutions.

Our 5P framework recognises that People, Product, Platform, Process, and Presence are deeply interdependent: the right people design better products; a strong platform makes processes more efficient; and disciplined processes protect the platform from operational stress. Presence serves as the vital anchor of this synergy, ensuring that our expertise and solutions are accessible where they are needed most.

- » Functional and behavioural training initiatives for critical talent
- » Structured induction and SOP reinforcement
- » A zero-tolerance stance on ethical breaches

- » Hyper-localised product design across Retail, MSME, SME, RE and Corporate Lending
- » A granular product mix to ensure sustainable growth
- » Insight-led co-creation with partners and frontline employees

- » Consistency in execution as new products and verticals are launched
- » A pipeline of talent ready to support scale
- » Cultural continuity as the organisation grows

- » Relevance to borrower realities, not just broad market categories
- » Resilience through diversity across segments and ticket sizes
- » Faster product-market fit in emerging opportunities

What we focus on Why it matters



Platform

Our technology spine has matured into the operational backbone of the business. It supports loan origination, portfolio management, NPA tracking, financial reporting, and expense processing, all of which are engineered to deliver speed, efficiency, and intelligence across the full loan lifecycle.

- » A mature tech spine integrating origination, management, and monitoring
- » AI-enabled customer servicing and decision-making
- » Expanding sourcing channels beyond traditional DSA dependence
- » GenAI capabilities

- » Operating leverage as volume scales
- » Lower cost of acquisition and faster turnaround times
- » A consistent digital experience across the customer journey



Process

Our processes are built to ensure seamless onboarding and effective servicing, while staying fully compliant and transparent. An empirical approach guides customer acquisition—rigorous internal credit risk assessments combined with behavioural and collection scorecards, each independently validated and powered by machine learning algorithms.

- » Scorecard-enabled decisioning across acquisition, behaviour, and collections
- » Risk-based pricing and early warning systems
- » Three lines of defence embedded in governance

- » Consistency and objectivity across high-volume decision-making
- » Personalised engagement without compromising controls
- » A secure customer journey, end to end



Presence

Presence is the fifth pillar that anchors AFL's growth strategy, reflecting our ability to scale distribution sustainably across the length and breadth India. By balancing deliberate investments in physical infrastructure with expanded digital reach, we ensure our high-quality financial solutions are accessible to India's emerging enterprises.

- » Expanding pincode coverage from 53% last year to 62% this year, with a target to further increase it by next year
- » Calibrated branch rollouts and deeper digital penetration to enhance customer access
- » Deepening presence in Rural and Semi-Urban (RuSu) markets where credit penetration remains structurally low

- » Strengthening our ability to originate high-quality, granular assets at scale
- » Capturing significant headroom for formal lending in underserved geographies
- » Positioning AFL as a long-term capital partner and building durable customer franchises across India

Tailored lending solutions for India's enterprises

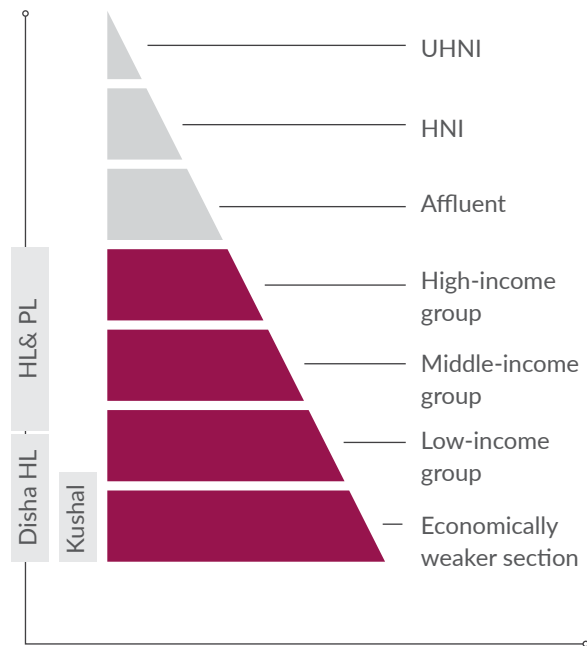
Our product portfolio is engineered to empower the enterprises of India while creating lasting value through strategic granularity. By shifting toward a resilient Retail, MSME, and SME-led mix, we address the evolving credit needs of underserved segments, ensuring sustainable, margin-accretive growth that performs across the market.



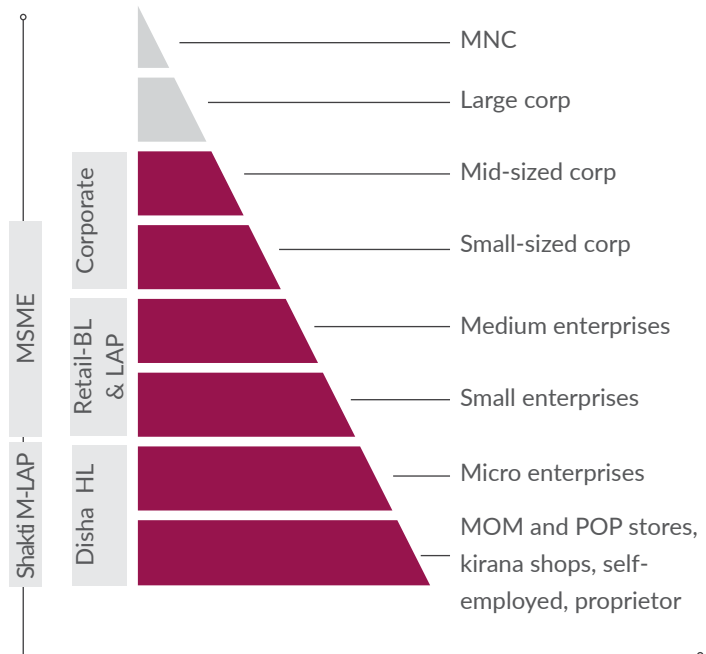
By anchoring our solutions in regional and segment-specific nuances, we address the diverse credit requirements of varied income streams. The integration of high-margin secured offerings further accelerates our momentum, allowing us to create lasting value across India's shifting economic landscape.

Our product suite is purposefully curated to meet the distinct needs of our focused customer segments.

Salaried individuals



Enterprise



■ AFL's target segment

Our product portfolio

AUM

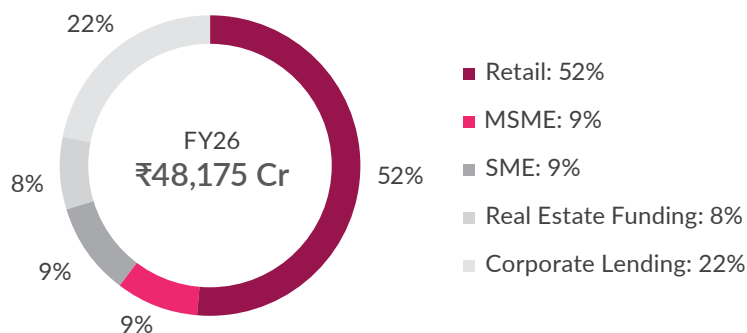
Portfolio level mix

- » Retail
- » Micro, Small and Medium Enterprises (MSME)
- » Small and Medium Enterprises (SME)
- » Real Estate Funding
- » Corporate Lending

Type

- » Secured (86% of the portfolio)
- » Unsecured

Portfolio level segmentation (AUM)



70%

RAM (Retail, MSME and SME)

70% of the AUM comprises Retail, MSME and SME segments, reflecting the Company’s continued focus on building a granular and well-diversified portfolio. This balanced mix enhances risk diversification while enabling the Company to cater to a broad and growing customer base across segments.

Products offered

- » Personal Loans
- » Loan Against Property
- » Term Loans
- » Business Loans
- » Lease Rental Discounting
- » Working Capital Demand Loans
- » Home Loans

Retail	MSME	Small and Medium Enterprises	Corporate Lending	RE Funding
52%	9%	9%	22%	8%
<ul style="list-style-type: none"> » Micro Secured: Disha HL, Shakti M-LAP (8%) » Micro Unsecured: Kushal PL, Vyapar BL (Newly Launched) » Prime Secured: LAP, HL (71%) » Prime Unsecured: PL, BL (21%) 	Includes MSME Retail Banking Group (RBG) and Business Banking Group (BBG)	Small and medium enterprises with annual revenues below ₹250 Crore and formal business credentials, including valid Udyam registration, are separately delineated for sharper portfolio segmentation	Tailored financing solutions to small and mid-corporates, supporting their growth, liquidity and evolving business needs	Inventory-backed funding and late-stage projects to key clients in select micro-markets

List of abbreviations

PL: Personal Loan	BL: Business Loan	RE: Real Estate Funding	Disha-HL: Disha Home Loans
LAP: Loan Against Property	HL: Home Loan	Shakti M-LAP: Shakti Micro LAP	



Prime Secured (LAP & Home Loans)

Our Loan Against Property (LAP) and Home Loans offer long-tenor solutions up to ₹10 Crore. We utilise advanced digital integration, sourcing documents directly from GOI portals (ITR, GSTIN) and the Account Aggregator framework to ensure error-free, robust credit assessments.

Prime Unsecured (Personal & Business Loans)

We provide collateral-free financing up to ₹50 Lakh for prime customers, supported by a seamless digital experience and competitive turnaround times.

1

Retail Lending

Our Retail segment is a primary growth engine, meticulously designed to serve the financial needs of salaried individuals, self-employed professionals, and micro-entrepreneurs. We categorise our retail offerings into four broad strategic cuts.

2



4

Micro Unsecured (Kushal & Vyapar)

We introduced the Kushal Loan Programme, providing targeted personal loans (₹0.5–5 Lakh) to salaried employees, and the Vyapar Loan Programme, which offers tailored business loans (₹1–10 Lakh) to micro-entrepreneurs. Both products deliver healthy risk-adjusted yields while significantly enhancing portfolio granularity.

3

Micro Secured (Disha-HL & Shakti M-LAP)

This year, we successfully launched Disha Home Loans to tap into the burgeoning low-ticket housing sector, focusing on ticket sizes of ₹10–25 Lakh in underserved markets. Complementing this is Shakti M-LAP, our special offering for micro-enterprises. These products leverage a judicious mix of income-surrogate assessments and direct origination to drive credit inclusion.

₹1,000+ Crore

Disha-HL book within one year of launch

Together, these groups enable us to serve the most dynamic and underserved enterprises through a combination of micro-secured solutions such as Disha-HL and Shakti M-LAP and micro-unsecured offerings including Kushal and Vyapar loans, supporting business continuity, income generation and long-term growth.



MSME

Recognising MSMEs as a key driver of India's economic growth, we offer customised financing solutions to the segment. This segment comprises our **Business Banking Group (BBG)** and **Retail Banking Group (RBG)**.

Retail Banking Group (RBG)

Dedicated to smaller ticket transactions from ₹1 Crore up to ₹7 Crore, with a strong focus on RuSu markets and priority sectors such as healthcare, education and hospitality.

Business Banking Group (BBG)

Focused on transaction sizes from ₹7 Crore to ₹25 Crore, maintaining a sector-agnostic portfolio with an average ticket size of ₹10 Crore.

SME Lending

Enterprises who are organised but are in need of finances for the next phase of growth are offered customised financing solutions to support their expansion and evolving credit needs.

SME Lending represents exposures to established small and medium enterprises with annual revenues below ₹250 Crore and formal business credentials, including valid Udyam registration. These exposures were previously reported as part of the Company's broader enterprise lending portfolio and have now been separately delineated to enable sharper portfolio monitoring, differentiated risk assessment and improved visibility into this borrower segment. Through a balanced mix of secured and unsecured offerings, we continue to support business growth, working capital cycles and capacity expansion across sectors.



Corporate Lending

Corporate Lending remains a cornerstone of our operations, characterised by a flexible and adaptive range that navigates macroeconomic shifts with precision. While we continue to support India's large enterprises, we are increasingly focused on building a more granular book. Our Corporate Lending offerings are classified under: Corporate Loans and Collateralised Loans.

Corporate Loans

Tailored term loan facilities for mid-sized, large, and strategic conglomerates across 25+ sectors.

Collateralised Loans

100% secured lending backed by a diverse set of asset classes and identified cashflows.



RE Funding

Primarily focused on ready inventory and late-stage projects that are self-liquidating in nature, with current presence largely in select micro markets and Tier I cities.

Our plan for FY 2026-27

Key initiatives

Secured prime acceleration

Scaling the Loan Against Property (LAP) portfolio through a dedicated Direct Sales Team (DST) model to ensure higher customer ownership and service quality.

Micro-secured expansion

Prioritising the rapid scale-up of Disha-HL and Shakti M-LAP to capture the burgeoning demand in underserved markets.

Calibrated unsecured lending

Implementing a 'Grow the Good' strategy for Prime PL and BL, leveraging advanced scorecards to onboard high-quality borrowers.

Micro-unsecured innovation

Driving the Kushal and Vyapar loan programmes to address the small-ticket working capital and personal credit needs of the enterprise ecosystem.

Accelerate the RBG/BBG business originations:

- » Leverage the MSME distribution built in the last couple of years, by curating product offerings to the MSME base.
- » Enhanced customer engagement and improved penetration within the targeted enterprise ecosystem.

Broaden the corporate bouquet of products and services

By introducing offerings such as Working Capital Demand Loans (WCDL) and expanding into new customer segments, including NBFC funding, to better address diverse financing needs of the target segment.

Expected outcomes

Sustainable scale

Building a resilient, low-cost high-margin secured book that anchors long-term value creation for the organisation.

Enhanced profitability

Achieving healthy Risk-adjusted Returns (ROA) and diversifying channel mix through a calibrated shift towards a high-yielding micro-secured portfolio.

Asset quality excellence

Maintaining a robust credit profile by focusing on 'prime' customer segments and data-backed underwriting in the unsecured space.

Portfolio granularity

Improving granularity by increasing the share of small-ticket loans.

Deepen the MSME business segment:

- » Improved sourcing momentum across MSME segments.
- » Balanced growth in the secured and unsecured portfolios with continued focus on asset quality and risk discipline.
- » Stronger enterprise ecosystem penetration enabled by a comprehensive full-stack product suite.

Deeper engagement and wallet share with existing corporate relationships:

- » Enhanced ability to serve evolving funding requirements across the corporate ecosystem.
- » Strengthening of the Company's position as a preferred lender for its target corporate segments while supporting sustainable and well-diversified growth.

A framework for sustainable growth

Capital >>



Financial capital

- » Net worth: ₹6,154 Crore
- » RoE: 14.23%



Human capital

- » No. of employees: 2,257
- » Training hours: 78,777



Intellectual capital

- » New AFL website
- » LOS platform, digital onboarding tools, customer service systems and call centre technology



Manufactured capital

72 branches pan-India



Social welfare initiatives

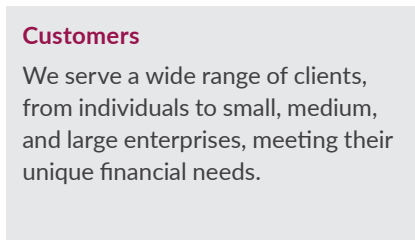
₹16.27 Crore in CSR spending

Stakeholder relations we depend on >>



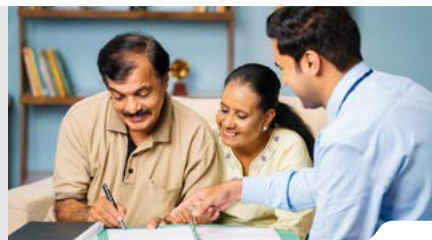
Employees

We foster a positive workplace for our people and interact with them regularly, ensuring they are empowered to perform at their best.



Customers

We serve a wide range of clients, from individuals to small, medium, and large enterprises, meeting their unique financial needs.



Business partners

We maintain close ties with our direct and indirect distribution partners, sharing insights to help improve their business productivity.



Government and regulators

We uphold high standards of governance and ensure we are fully compliant with all relevant laws and regulations.



Communities

We support communities by participating in various social welfare initiatives led by the Axis Bank Foundation and also through welfare initiatives with our other NGO partners.

Our business model is engineered to serve as a definitive financial anchor for India's enterprise ecosystem. By harmonising advanced digital intelligence with a deeply embedded customer-centric philosophy, we drive consistent performance and generate value for our stakeholders.

As we scale, we continue to bridge credit gaps across the nation, ensuring that our growth contributes to the enduring success of the enterprises we support.

Value creation process

Operating landscape

Evaluating macroeconomic shifts and evolving industry dynamics

Product distribution

A combined network of physical branches, digital platforms, and partners

Strategic priorities

- » Accelerate Retail/MSME growth
- » Fortifying the core portfolio within the Corporate Lending segment

Investments

- » Rigorous Asset Liability Management (ALM) framework
- » Disciplined treasury oversight
- » Digital-first approach to treasury excellence

Generating employment opportunities

Empowering teams to excel for customers while building rewarding careers through continuous learning and development

Operations

- » Over 50 Robotic Process Automations (RPAs) driving efficiency
- » Extensive host-to-host connectivity to reduce manual tasks

Product design

- » Hyper-localised solutions
- » Design features driven by data-backed insights
- » Agile and responsive product management

Additional services

- » Specialised contact centres
- » Service delivery via advanced digital platforms

Outcomes



- » Total revenue: **₹5,046 Crore**
- » AUM: **₹48,175 Crore**
- » Growth in revenue: **23%**



- » **Top 50** India's best workplaces in BFSI by Great Place to Work
- » Awarded '**Happy Companies to Work For**' by World HRD Congress
- » Certified '**Great Place to Work**' for the third year



- » High share of digital invoicing with focus on reducing carbon footprint
- » Timely complaint resolution within the regulatory TAT



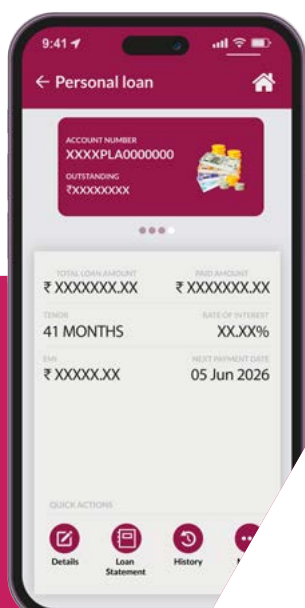
- » Long-term, reliable, and mutually beneficial partnerships
- » Strict regulatory alignment, transparent operations, and timely tax contributions



- » **90,000+** Community (families and individuals) supported through our CSR initiatives

Scaling our Tech/AI stack

Our digital strategy has evolved from building foundational tools to creating a sophisticated, data-led ecosystem. By integrating advanced AI, GenAI, and high-velocity automation, we have streamlined the entire loan lifecycle, from lead management to collections, ensuring that our operations remain as resilient as they are scalable.



We are transitioning from foundational infrastructure to a sophisticated, intelligent platform to drive operational excellence and a seamless customer experience.

Enterprise-grade lending platforms

Core lending infrastructure through an integrated LOS/LMS platform, enabling seamless management of the entire loan lifecycle—from onboarding and credit evaluation to disbursement and servicing. Integration with external data sources has improved validation accuracy, risk assessment, and turnaround times.

Mobility-driven decisioning

Mobile-enabled credit approval capabilities allow stakeholders to review proposals, track approvals, and take decisions on-the-go, ensuring faster and more flexible workflows across approval hierarchies.

Specialised transaction platforms

Focused solutions such as the securitisation and pool purchase platform streamline transaction management through standardised workflows, improved accounting accuracy, and enhanced visibility, auditability, and turnaround efficiency.

Integrated financial systems

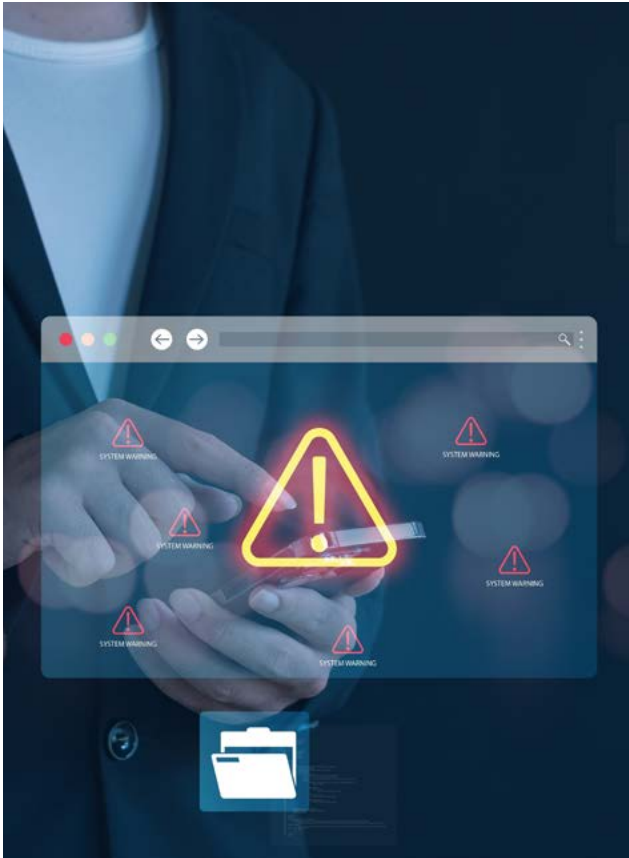
Robust financial and treasury platforms, including SAP and Oracle-based systems, support liability management, investments, and core financial operations. These systems ensure accuracy, control, and real-time visibility across financial processes.

Low-code automation and workflow enablement

Adoption of low-code platforms has enabled rapid development of business workflows, reports, and data capture modules, reducing manual intervention and improving consistency and operational agility.

Data-driven decision-making

A centralised data warehouse, integrated with analytics platforms, provides a unified and reliable view of data across systems. This enables automated regulatory reporting, exception monitoring, and faster, insight-led decision-making.



Risk, compliance and governance frameworks

Advanced systems for AML monitoring, CKYC management, credit risk assessment, and NPA tracking strengthen regulatory compliance and risk oversight. These platforms enhance transparency, improve monitoring capabilities, and ensure timely identification of risks.

Operational control and support systems

Suite of applications, including document management, vendor management, fraud risk management, reconciliation systems, and audit tracking tools, ensures stronger governance, process standardisation, and reduced operational risk.

Digital engagement platforms

The Company's digital platform strengthens customer engagement through product information and self-service capabilities, enhancing accessibility and overall customer experience.

Sector-specific solutions

We have introduced specialised Project Finance modules to cater to the unique structured credit needs of our corporate and MSME clientele.

AI, GenAI and intelligent automation

We are leveraging cutting-edge technology to move beyond manual interventions and drive 'Smart Loan Processing'

Symmetric case allocation

Utilising RPA for live case allocation in our PL and Kushal portfolios, ensuring optimal resource utilisation and faster turnaround times.

Sentiment analysis

Integrating GenAI-driven sentiment analysis within our QRC (Query, Request, Complaint) framework via Zoho APIs to enhance customer service responsiveness. This is further supported by bot-led capabilities, including email and voice bots for customer service and collections, enhancing engagement and improving recovery effectiveness.

Automation (RPA)

With 50+ Robotic Process Automations, we have ushered in a new era of operational efficiency, complemented by host-to-host connectivity that minimises human error.

Our accomplishments in FY 2025-26

Focus area	Key initiatives and hits	Impact and target outcome
Data strategy	Data Lake House (Phase 1): Established a 'Single Source of Truth' with T-1 data ingestion from core systems.	Enhanced decision-making through unified, high-integrity data.
IT governance	Resilience and compliance: Strengthened resilience and regulatory compliance by automating Disaster Recovery process.	Half-yearly completion of cluster Disaster Recovery drills; strengthened governance.
Customer experience	Digital initiatives: Launched a revamped AFL Website, Video KYC setup, and new collections tools.	80% progress toward an end-to-end seamless digital journey.
Analytics	Data analytics use cases: Deployment of Application Scorecards and Exception Reporting.	Strengthened risk profile segmentation at onboarding and automated exception reporting.
Operational risk	Risk governance: Strengthened the operational risk framework through expanded coverage of Risk and Control Self-Assessments, complemented by institutionalised exception monitoring driven by high-frequency data reviews.	Enhanced risk visibility and early detection through expanded RCSAs and high-frequency monitoring, enabling timely remediation and strengthening overall control effectiveness and governance.
Outsourcing risk	Vendor risk management: Enhanced the Vendor Management System to ensure comprehensive capture of all regulatory-required data at the vendor onboarding stage, strengthening governance and compliance.	Standardised and comprehensive capture of regulatory data at onboarding, enhancing compliance, improving data integrity, and strengthening vendor governance and audit readiness.





Data-driven resilience and compliance

To protect the 'Platform' pillar of our 5P framework, we have invested heavily in a Single Source of Truth through our Data Lake House implementation. This infrastructure supports:

- » Advanced risk management: Using Altair for Risk Dashboards and Lissomsoft for Fraud Risk Management, we proactively monitor portfolio health.
- » Security and privacy: Automated Aadhaar Masking across stored repositories ensures the highest standards of data privacy and regulatory compliance.
- » Internal efficiencies: In-house development of custom workflows for Operations and Secretarial teams has digitised previously manual administrative tasks.

The road ahead in FY 2026-27

Focus area	Key initiatives and hits
Data and analytics	Data Lake House (Phase 2): Automating Regulatory, MIS, and Exception reports; launching a Credit Underwriting Tool and Circular Mapping Compliance tool.
Core system upgrades	Infrastructure refresh: Migration to Accounting Oracle, Corporate Lending Pennant, and Retail Core (EBIX); implementing the Posidex Dedupe System.
AI, GenAI and Automation	Intelligence layer: Deploying Voice Bots, the Audit Command Language (ACL) tool, and automated Legal Risk Identification.
Strengthening the core	Unified view: Establishing a Customer Communication Hub, Document Management System, Customer 360, and Collections One-View with integrated Fraud Analysis.
In-house engineering	Operational tools: Development of an Exception Closure Tracking tool, CIBIL Report front-end, File Retrieval System, and Collateral Deduplication.
Infrastructure and security	Network resilience: Full Network Transformation, physical hardware segregation, and deployment of Enterprise Browser and Network Access Control.

Building value through experience

Our approach to customer centricity focuses on turning every interaction into a driver of long-term value. By combining data-led conversational intelligence with an expanded distribution network, we are moving beyond basic service to create seamless, transparent experiences. We prioritise listening to the 'Voice of the Customer' to ensure our credit solutions remain relevant and accessible across all segments.

Leveraging 'conversational intelligence'

We use AI-driven tools to analyse over 74 thousand interactions for six months, identifying critical patterns that manual monitoring might overlook.



Customer propensity

Using data to distinguish between a customer's intent to pay versus their actual capacity, allowing for more precise and empathetic engagement.



Regulatory sensitives

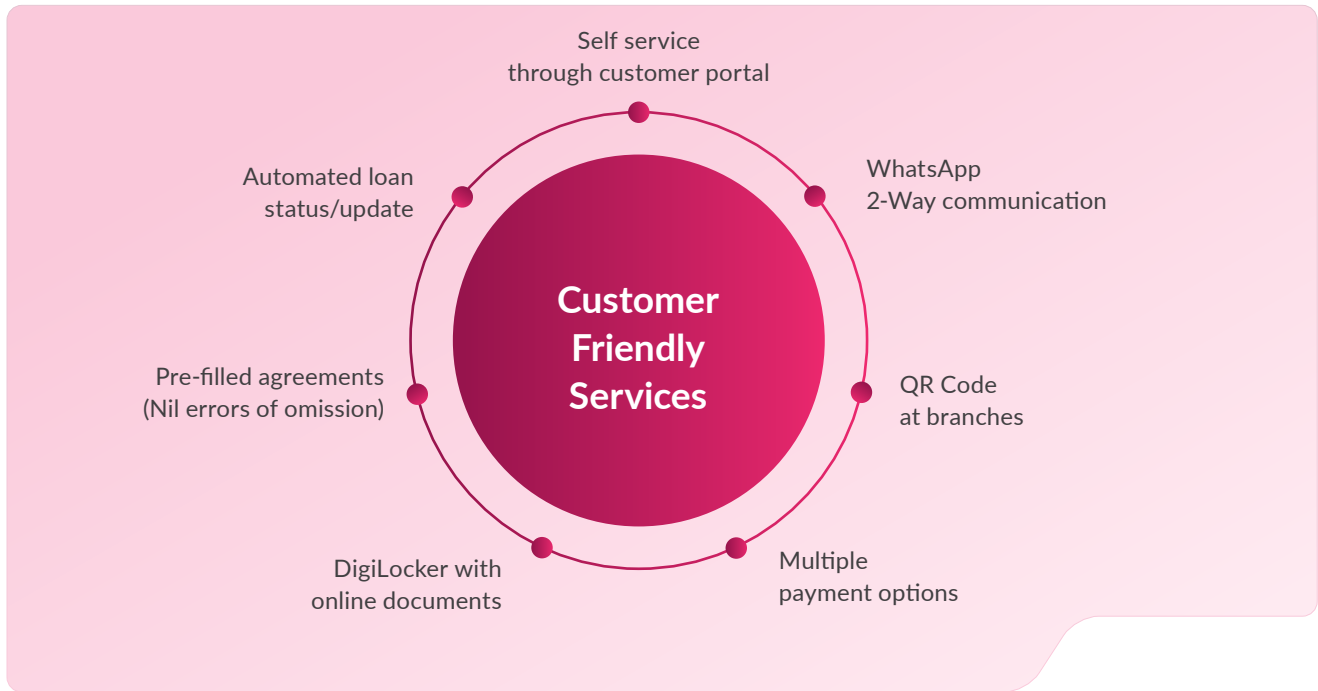
Gen-AI-enabled service audits facilitate automated detection of calls that indicate potential compliance or legal risks.



Impact

This Gen-AI service audits have contributed to a 50% reduction in customer complaints and more effective agent training.

Customer servicing post onboarding



Distribution

End-to-end seamless journeys

Our strategy expands reach across all touchpoints, branches and the mobile app, to simplify the customer journey.

Strategic targets

We are working toward growth in direct sourcing and reducing acquisition costs.

Compliance standards

We maintained a near-perfect V-KYC service quality standard with zero penalties from the Banking Ombudsman.

The road ahead

We are executing a disciplined action plan to eliminate friction points and enhance transparency.

Planned initiatives

Self-service

Moving towards a 100% digital process for all retail products, including automated loan document triggers.

Intelligent bots

Launching voice bots on toll-free lines and asynchronous WhatsApp bots for 24/7 support.

Unified view

Implementing 'Customer 360' dashboards to provide a single-screen view of the entire customer relationship.

Creating stronger brand recall

During the year, we strengthened our brand with a focused approach towards visibility, customer engagement and business support. We continued to enhance our digital and physical presence while driving awareness across products, markets and stakeholder groups through integrated communication efforts.

Strengthening digital presence



We invested in enhancing our digital ecosystem to deliver a more seamless and intuitive customer experience. Ongoing improvements to the website and related digital assets focused on better navigation, sharper content architecture, improved accessibility of product information and a more customer-friendly interface across touchpoints.

Enhancing branch visibility and local reach



As part of our efforts to strengthen local market presence, we enhanced the digital discoverability and accessibility of our branches. These initiatives were aimed at making branch information easier to locate and access, improving convenience for customers and reinforcing visibility across key markets.

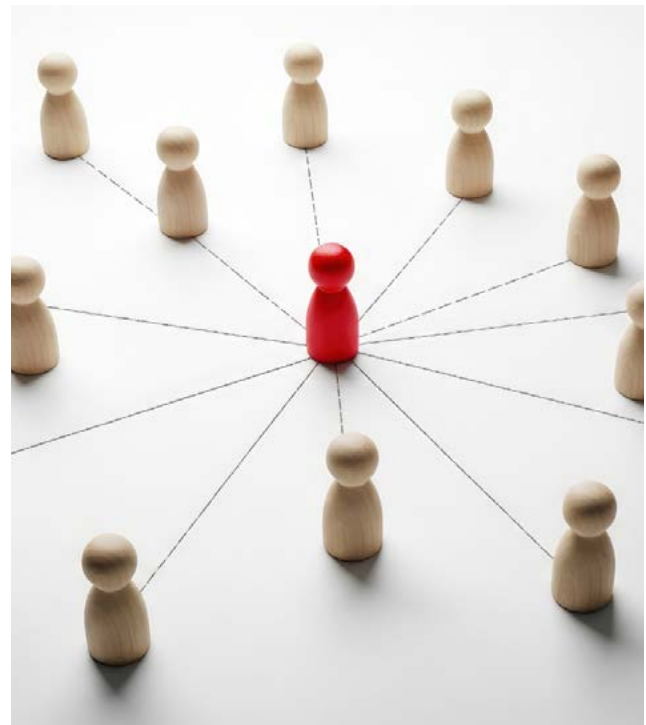
"Marketing strengthened new product visibility while enabling consistent internal alignment across key initiatives"

Driving product awareness



The marketing function played an active role in supporting the launch and outreach of key products introduced during the year. Integrated visibility campaigns across digital and on-ground channels were undertaken for offerings such as Axis Finance Disha-HL, Axis Finance Shakti M-LAP, Axis Finance Vyapar Business Loans and Kushal Personal Loans. These initiatives focused on strengthening market recall and enabling wider customer engagement across targeted segments.

Enabling internal alignment



Alongside external outreach, the marketing team also supported internal communication initiatives to build stronger awareness around product propositions, campaigns and organisational priorities. These efforts helped drive greater alignment across teams and enabled more consistent communication across the organisation.

Steady core, accretive future

At AFL, we are moving beyond traditional credit boundaries to act as a resilient secondary bulwark, combining the agility of a specialist with the stability of the Axis brand to fuel India's entrepreneurial aspirations."



Dear stakeholders,

As we close FY 2025-26, Axis Finance Limited (AFL) enters its next phase of growth. Over the past few years, we have focused on building a resilient foundation, strengthening our balance sheet, governance, and operating capabilities. This year marks a shift towards scaling that foundation with consistency and discipline. I extend my sincere appreciation to our customers, employees, partners, and stakeholders for the trust they have placed in us. This trust continues to underpin our progress.

The global environment during the year was defined by heightened complexity and uncertainty. Geopolitical developments, particularly the Israel-Iran conflict, alongside rising tariff tensions, disrupted trade flows and energy

markets. Despite these challenges, India demonstrated notable economic resilience, supported by robust domestic demand and sound macroeconomic fundamentals. The government's continued emphasis on long-term nation-building, anchored in the vision of a \$10 Trillion economy and the 'Viksit Bharat 2047' agenda, provides a clear and stable path forward.

Against this backdrop, India's financial sector is entering a phase of accelerated expansion, supported by some of the strongest balance sheets in recent years. Asset quality has improved significantly, with Gross Non-Performing Loans (GNPA) and Provision Coverage Ratios at their most favourable levels in over a decade. Profitability across scheduled commercial banks remains robust,

with aggregate earnings nearing ₹4 Lakh Crore in the preceding year, reflecting strong internal capital generation.

This solid financial footing positions the system to sustain credit growth of approximately 15%, ensuring adequate capital availability to support both industrial development and the evolving aspirations of a growing consumer base.

At Axis Finance, we have effectively leveraged these favourable conditions to advance our position as a leading diversified AAA-rated NBFC. Our Assets Under Finance (AUF) have expanded to ₹46,185 Crore, reflecting a steady and healthy CAGR over the past five years. Concurrently, Profit After Tax (PAT) has followed a consistent upward trend, registering a CAGR of 33% over the same period.



These outcomes underscore the durability of our business model, centred on sustainable and margin-accretive expansion. We, increasingly, see ourselves as a critical secondary pillar within India's financial ecosystem, combining the nimbleness of a focused specialist with the governance, credibility, and strength of the Axis franchise.

A key highlight of FY 2025-26 has been the continued evolution of our Retail, MSME and SME portfolio, now contributing 70% of total AUM. This calibrated shift towards greater granularity reflects a deliberate strategy to improve portfolio quality while enhancing yields.

During the year, even as parts of the industry encountered asset quality pressures, particularly within unsecured lending, AFL remained relatively insulated. We enhanced our retail underwriting framework through tighter credit policies and proprietary scorecards, enabling disciplined onboarding of customers with strong credit profiles and repayment capacity. With over 86% of the portfolio secured, we remain well supported by a balance sheet that offers a meaningful buffer against changing market conditions.

Our focus on advancing financial inclusion was reaffirmed through the launch of Disha-HL, a product designed for salaried and self-employed customers in semi-urban and rural markets, with ticket sizes ranging from ₹10-30 Lakh.

By addressing this underpenetrated segment, we are expanding access while contributing to the broader goal of enabling homeownership for a larger section of society.

In parallel, we undertook a comprehensive revamp of our Shakti M-LAP and Business Loan offerings. Leveraging advanced bank-statement analytics and refined loan-to-value (LTV) frameworks, we are now better equipped to serve the enterprise ecosystem with enhanced precision, agility, and risk discipline.

Aligned with our 'digital-first' philosophy, we have significantly enhanced our technology infrastructure. A secure core data platform was established to enable structured data ingestion and governance, improving both clarity and speed in decision-making. Generative AI adoption has progressed from experimentation to practical deployment, with intelligent automation now embedded across customer service and collections through advanced email and voice-based solutions. These initiatives have strengthened straight-through processing and improved responsiveness, enabling a seamless customer experience while maintaining rigorous credit discipline. At the same time, our growth strategy remains grounded in stability and prudence. During the year, we navigated an evolving regulatory landscape, including new mandates for upper-layer NBFCs and revised provisioning norms for commercial real

estate and project finance exposures. Our governance framework, designed to balance agility with accountability, has ensured alignment with regulatory expectations while reinforcing investor confidence.

Beyond financial performance, our people remain our greatest strength. As we evolve into a 2,000+ (2,257 total no. of employees) member organisation, we continue to invest in building capabilities that enable our teams to thrive in a dynamic environment. We are equally committed to driving meaningful impact through environmental and community initiatives, ensuring that our growth journey remains inclusive, responsible, and aligned with broader societal progress.

Looking ahead, the opportunity landscape remains compelling. Backed by a robust balance sheet, a digitally-enabled operating model, and clear alignment with India's long-term growth path, Axis Finance is strongly placed to deepen its role as a lending partner of choice. We remain focused on supporting the credit needs of a rapidly evolving economy and enabling the entrepreneurial ambitions shaping the nation's future.

On behalf of the Board of Directors and the leadership team, I thank you for your continued trust and partnership as we move forward.

Best regards,

Amitabh Chaudhry
Chairman

Strengthening the portfolio, scaling with discipline

We are shaping a franchise built on resilience, combining human insight with digital agility to enable inclusive growth across India's emerging markets."



Dear stakeholders,

FY 2025–26 has been a year of focused execution and steady progress for Axis Finance Limited (AFL). Over this period, we advanced our position as a diversified NBFC, improved portfolio quality, and enhanced our ability to address the evolving credit needs of underserved enterprises and retail customers across select segments. I reflect on the year with confidence in the franchise we are building—one dedicated to creating lasting value for all our stakeholders.

India's economic momentum continues to create meaningful opportunities for institutions capable of delivering credit with both agility and discipline. During the year, we capitalised on this environment by building a more granular and diversified loan book, sharpening product-market alignment, refining risk frameworks, and continuing to invest in technology and talent.

Our financial performance reflects the effectiveness of this balanced approach. Total revenue increased by 23% to ₹5,046 Crore, while interest income grew by 22% to ₹4,792 Crore. Profit after tax reached ₹812 Crore, registering a year-on-year growth of 24%, despite the impact of incremental regulatory change-related provisioning of ₹36 Crore. As of March 31, 2026, total assets stood at ₹48,465 Crore, with Assets Under Management (AUM) at ₹48,175 Crore and Assets Under Finance (AUF) at ₹46,185 Crore.

Over recent years, we have undertaken a structured realignment of our portfolio to reflect emerging opportunities and evolving risk considerations. This transition progressed further in FY 2025–26, with Retail and MSME businesses contributing a considerably higher share in the overall disbursements, resulting in a more granular and diversified portfolio.

The Retail portfolio continued to scale with strong momentum, assuming increased strategic importance within the franchise. What began as a diversification initiative 7 years ago has evolved into a key growth driver, contributing 49% to AUF and 52% of AUM.

A notable milestone during the year was the launch of Disha-HL, extending our reach into rural and semi-urban (RuSu) markets. Built on a hyper-local approach, this offering is supported by customised underwriting frameworks and distribution models aligned with the realities of self-employed and emerging-income households. In its very first year of launch, Disha-HL crossed the landmark of ₹1,000 Crore in AUF.

We also gained strong traction in Shakti M-LAP, our secured solution for micro-enterprises, addressing the growing demand for property-backed financing. Alongside this, we expanded



our unsecured retail offerings through Kushal Personal Loans and Vyapar Business Loans, both designed for customers with established income profiles and evolving credit needs.

The MSME and SME segment continued to deliver meaningful progress and remains central to our long-term strategy. While enterprises are critical to India's economic landscape, structural gaps in access to formal credit persist. To address this opportunity, we have sharpened segmentation and strengthened execution capabilities within this business.

This year, we broadened our MSME franchise with the launch of the MSME Retail Banking Group (RBG), focused on enterprises seeking smaller ticket loans of ₹1-7 Crore. In combination with MSME BBG, which caters to loans with ticket sizes of ₹7-25 Crore, our lending proposition spans across the full MSME lending gamut, supporting enterprise financing needs with sharper segmentation and stronger product-market alignment.

Our Corporate Lending segment remains an important contributor to the franchise, with its role evolving towards calibrated expansion, improved diversification, and building a more granular book. During FY 2025-26, we further strengthened the portfolio with a preference for higher-rated counterparties, broader sectoral exposure, and lower concentration risk.

Our approach to capital deployment continues to be guided by conviction, deep sectoral understanding, and strong risk visibility. Across corporate lending, collateralised exposures, real estate, and select thematic areas, we pursue

opportunities with measured selectivity and a long-term perspective.

Technology and data remain central to how we scale the organisation. During the year, we advanced our digital and analytics backbone across the value chain, spanning onboarding, underwriting, collections, monitoring, and customer engagement.

We expanded automation across key workflows, strengthened data architecture, and increased the use of scorecards, reporting intelligence, and AI-led interventions in targeted areas. These initiatives have improved turnaround times, enhanced risk visibility, and enabled a more responsive operating model. As we scale, the ability to integrate human judgement with digital capability will remain a defining strength.

Our funding profile and balance sheet continue to provide a strong foundation for future expansion. AFL maintained its AAA/A1+ credit ratings across leading rating agencies, reflecting confidence in our financial position, governance standards, and risk management practices.

Equally important is how we are building the business. With over 86% of the portfolio secured, supported by disciplined underwriting standards, scorecards, and monitoring systems, we are shaping a franchise designed to perform across cycles. We remain agile in adapting to the evolving regulatory changes while maintaining healthy margins and stable asset quality, with GNPA at 0.94% and NNPA at 0.48%.

Our people remain central to this journey. At AFL, culture is integral to execution. We are building an organisation grounded in ownership,

collaboration, transparency, ethics, and a strong commitment to customer-centricity.

During the year, we continued to strengthen leadership accessibility, enhance the onboarding experience, invest in capability building, promote internal mobility, and prioritise employee well-being. These efforts are complemented by a sustained emphasis on a values-driven, high-accountability environment.

Looking ahead, our priorities remain clearly defined. We will deepen our presence in RuSu markets, expand hyper-local offerings, enhance customer access, improve operating efficiency, and increase participation in high-potential retail and enterprise segments. All of this will be pursued while maintaining disciplined risk management, prudent capital allocation, and long-term franchise strength. Axis Finance has entered its next phase with a more balanced portfolio and sharper strategic direction. While our outlook remains ambitious, execution will continue to be anchored in discipline and consistency.

I extend my sincere appreciation to our Board for its guidance, our employees for their dedication, our customers for their trust, and all stakeholders for their continued support.

Best regards,

Sai Giridhar

Managing Director & CEO

Measuring progress, delivering impact



AUM (Without treasury) ₹ in Cr

FY 2025-26		48,175
FY 2024-25		40,142
FY 2023-24		34,413
FY 2022-23		24,480
FY 2021-22		16,624
FY 2020-21		10,676


AUF (Without treasury) ₹ in Cr

FY 2025-26		46,185
FY 2024-25		37,818
FY 2023-24		31,414
FY 2022-23		22,529
FY 2021-22		16,624
FY 2020-21		10,676




Profit After Tax ₹ in Cr

FY 2025-26		812
FY 2024-25		652
FY 2023-24		597
FY 2022-23		579
FY 2021-22		346
FY 2020-21		195




Net Worth ₹ in Cr

FY 2025-26		6,154
FY 2024-25		5,304
FY 2023-24		4,069
FY 2022-23		3,172
FY 2021-22		2,191
FY 2020-21		1,442


Total Income ₹ in Cr

FY 2025-26		5,046
FY 2024-25		4,101
FY 2023-24		3,154
FY 2022-23		2,327
FY 2021-22		1,433
FY 2020-21		1,029

Net Interest Income ₹ in Cr

FY 2025-26		1,925
FY 2024-25		1,493
FY 2023-24		1,147
FY 2022-23		940
FY 2021-22		675
FY 2020-21		525

Total Assets ₹ in Cr

FY 2025-26		48,465
FY 2024-25		39,517
FY 2023-24		32,902
FY 2022-23		23,977
FY 2021-22		17,316
FY 2020-21		11,205

Navigating the opportunity landscape

India's thriving economic landscape presents a fertile ground for growth, characterised by resilient GDP expansion and a shift toward formalisation. As a diversified NBFC, we are strategically positioned to convert these macroeconomic tailwinds into lasting value for our stakeholders.

A conducive environment for NBFCs to grow

The Indian NBFC sector has evolved into a vital engine of the national economy, consistently bridging the gap where traditional banking reach is limited. NBFCs now play a leading role in driving credit penetration within the MSME and retail segments. Supported by a proactive regulatory environment and improved systemic liquidity, the sector is witnessing a structural shift toward digital-first lending models. This transformation is enhancing operational efficiency while ensuring that credit remains accessible and affordable for the unserved and underserved populations of India.

Key macro drivers

Robust GDP growth and consumption

The opportunity	Our strategic action
<p>Robust real GDP growth and rising disposable incomes increase household confidence for 'big-ticket' spending and professional expansion.</p>	<p>Personal loans We propose to launch a comprehensive, end-to-end digital personal loan journey to address the evolving credit needs of the salaried segment. This initiative is aimed at catering to the growing aspirations of salaried customers by providing seamless, efficient, and accessible credit solutions through a fully digital platform.</p> <p>Prime LAP Prime Loan Against Property (LAP) remains a flagship offering for the Company. We continue to strengthen this franchise by expanding distribution coverage, deepening penetration in RuSu markets, and introducing new product variants, including hybrid loan structures, tailored to the needs of well-established MSME customers.</p>
	<p>BBG and RBG scale The BBG and RBG verticals, established to serve the credit establishments of well-established MSMEs with focused exposure to sectors such as healthcare, education, and hospitality, have progressed in line with our expectations. These businesses have demonstrated healthy traction in terms of business origination and asset quality. Building on this strong foundation, we intend to further accelerate business momentum in a calibrated manner.</p>
	<p>Corporate Lending We continue to strengthen our corporate lending franchise with a focused approach to becoming the preferred lender for our target segments. As part of our growth strategy, we plan to enhance our product capabilities through the introduction of new offerings, including Working Capital Demand Loans (WCDL) and lending solutions for NBFCs, enabling us to better address evolving customer needs.</p>



Structural MSME formalisation

The opportunity	Our strategic action		
Policy support (Udyam, Mudra, TReDS) is moving millions of 'informal' businesses into the GST-paying ecosystem.	With the objective of democratising access to credit by leveraging the increasing formalisation of MSMEs, we have established dedicated lending verticals tailored to the needs of micro and small enterprises.	The secured lending vertical, Shakti M-LAP focuses on providing collateral-backed credit solutions to eligible borrowers. This approach leverages data such as GST returns,	bank statements and other transactional indicators, moving beyond traditional reliance on financial statements, and enables more inclusive and efficient credit underwriting.

Public capex and infra push

The opportunity	Our strategic action
Sustained public capex continues to generate a trickle-down impact, supporting demand across the broader manufacturing ecosystem.	Project finance Providing structured credit for late-stage, of high pedigree developers.

Emerging growth centres (Tier-II and III)

The opportunity	Our strategic action	
Economic gravity is shifting toward regional clusters and smaller cities, creating massive demand for housing and business credit.	Micro secured AFL launched Disha-HL to tap into the fast-growing small-ticket housing segment. The product has seen strong early traction, clocking over ₹1,000 Crore in its first year of operations. Disha-HL serves both salaried and self-employed customers through a hyper-local, need-based model that adapts to income patterns, property types, and demand pockets across India. Its robust credit underwriting with customised assessment frameworks is tailored for informal-income customers. The franchise is being scaled through a direct and connector-driven distribution engine, enabling a more balanced and diversified sourcing mix in the retail portfolio.	Micro unsecured Kushal Loan Programme is a targeted personal loan offering aimed at salaried employees across corporates, partnerships, and other eligible entities. The programme is positioned to address diversified personal credit needs through a standardised yet flexible underwriting framework. With ticket sizes ranging from ₹0.5 Lakh to ₹5 Lakh, the portfolio benefits from enhanced granularity. The product delivers attractive yields, with pricing typically in the range of 21-24%, contributing positively to overall portfolio returns.

Green transition financing

The opportunity	Our strategic action
Government commitment to renewable energy and 'Net Zero' creates high-growth, low-risk lending avenues.	Corporate focus Strategically lending to projects and manufacturing units dedicated to sustainable and renewable technologies.

Turning intent into outcomes

Our growth blueprint is centred on a focused approach to Return on Assets (ROA), driven by high-quality business acquisition and rigorous credit discipline. By harmonising advanced technology with a granular, pan-India distribution network, we are reinforcing our position as India’s preferred lending partner.

Strategic pillars



Policy and credit



Portfolio health

Key achievement and impact

Revitalised portfolios

Regained volume in unsecured lending through a new controlled policy. Tightened LAP policies to prioritise book quality.

Debt management

Increased auto-cure rates for PL and LAP from 8% to 33%, supported by the deployment of collection scorecards for auto-cure bucket 1 and NPA. Strengthened recovery efforts, resulting in ₹46.35 Crore in write-off recoveries, a 159% increase over the previous year.

Aim for FY 2026-27

We will continue to scale our unsecured Personal Loans (PL) and Business Loans (BL) portfolio by leveraging advanced scorecards and analytics.

We will continue to strengthen our debt management framework through the adoption of advanced technology-led interventions. This includes the introduction of Gen AI-enabled practices such as AI-driven bot-based calling strategies and intelligent auto-allocation of cases based on customer risk and engagement intensity, aimed at improving efficiency and customer experience.

In addition, we propose to adopt Gen AI-enabled processes for title verification by onboarding leading fintech partners. This initiative is intended to enhance the robustness, accuracy, and turnaround time of document verification while maintaining strong control and oversight standards.



New business

Product success

Disha-HL achieved a ₹1,000 Crore book in its inaugural year. Relaunched Shakti M-LAP (doubling the book size) and introduced Vyapar & Kushal (Micro Unsecured) as high-yield boosters.



P&L drivers

Profitability metrics

Realised improvement in fee income and boosted overall productivity. Enhanced contribution to direct business growth.



Omnichannel

Visibility and reach

Scaled digital discovery to 75K+ average monthly website visits and achieved 4 Million+ cross-platform social media reach.

We plan to introduce new product variants, including fixed-to-floating rate loan structures, to better align with evolving customer preferences and interest rate cycles. In parallel, we aim to expand end-to-end digital lending journeys, enhancing customer experience through seamless, technology-enabled origination, underwriting and disbursement processes.

Increase share of direct business. Improve operating efficiencies. Full-stack AI across various processes.

We plan to launch dedicated direct-sourcing verticals for both Loan Against Property (LAP) and unsecured lending, with the objective of strengthening customer acquisition, improving channel efficiency, and enhancing portfolio quality through tighter end-to-end control over sourcing and underwriting.

Safeguarding our shared future

Our approach to environmental responsibility is guided by the belief that business growth must be aligned with sustainable practices. While our direct environmental footprint is relatively limited, we recognise that our role as a financial institution allows us to influence outcomes through both our lending decisions and the way we operate.





Sustainability remains integral to our broader Growth, Profitability and Sustainability (GPS) framework, which shapes our long-term strategy. As we scale our business, we are equally focused on ensuring that our growth remains responsible and future-ready. During the year, we continued to strengthen our efforts to integrate environmental considerations into our decision-making, including supporting sectors that are aligned with sustainable development, such as renewable energy, while also improving efficiency in our internal operations.

Following this effort, digitisation has played an important role in reducing our environmental impact. 99% of borrower agreements and vendor transactions are now completed through digital channels, helping us minimise paper usage and improve process efficiency.

Responsible and sustainable financing

We recognise our responsibility to address critical financing gaps while contributing to sustainable development and environmental stewardship. As part of our approach, we will progressively embed responsible lending practices by incorporating ESG considerations into our borrower evaluation frameworks, while continuing to rely on prudent credit assessment.

A key area of focus is the gradual expansion of our exposure to green and environmentally aligned financing. We are increasingly evaluating opportunities to support businesses and sectors that promote resource efficiency, cleaner operations, and environmentally responsible practices. By integrating these considerations into our lending approach, we aim to encourage more sustainable business models and support the transition towards a lower-impact economy.

Resource efficiency and waste management

We continue to focus on improving resource efficiency across our operations. In addition to reducing paper consumption through digitisation. We are working to build greater awareness among employees, encouraging responsible usage of resources while ensuring environmentally conscious behaviour across the organisation.

26+ Lakh

Paper saved

Tree Plantation

Through our CSR initiatives, and in partnership with SayTrees Environmental Trust, we provide support for planting and nurturing native variety plant saplings.

9,900+

Native variety saplings planted and nurtured

People at the heart of progress

As Axis Finance grows, our CSR journey strengthens and continues to serve the communities. The communities remain at the core of our CSR initiatives, and their support enables us to create value in the long run.



₹16.27 Crore

Annual CSR spending





Building a stronger workplace

Our people are central to our organisation. We are focused on creating a workplace that is inclusive, respectful, and enables individuals to grow and perform at their best. Our Equal Employment Opportunity Policy reinforces a zero-tolerance approach to discrimination and supports a culture where everyone feels valued.

We continue to invest in building a capable and future-ready workforce through structured learning and development initiatives. These include functional, regulatory, and behavioural training programmes, along with a strong focus on leadership development and mentorship.

Our competitive advantage

- » Strong leadership depth, with a focus on mentoring and developing talent
- » Ability to attract the right talent and retain critical skills through an employee-centric, performance-driven culture
- » Continued investment in learning through structured functional, regulatory and behavioural training programmes

Impact

- » Improved workforce efficiency and enhanced delivery
- » Attrition levels lower than industry average, supported by stronger engagement and clearer career progression pathways
- » Recognised as a Great Place to Work and Top 50 India's Best Workplaces in BFSI by Great Place to Work, reflecting the strength of our people practices

Progress during the year

- » During the year, we expanded our workforce, growing from 1,654 to 2,257 employees.
- » We strengthened our performance management processes, with enhanced goal setting and templatisation of goals to create transparency in performance management

implementing the New Labour Code, while maintaining a stable audit risk rating.

- » During the year we introduced ESOPs at mid-senior levels to create an ownership and performance-driven culture with outcomes of higher employee retention.

- » We also saw strong improvements in employee engagement. Our value scores increased from 74% to 91%, and we were recognised as a Great Place to Work for the third consecutive year, and the Company has been recognised as Top 50 India's Best Workplaces in BFSI by Great Place to Work.

2,257
Employees

36%
Increase in headcount

1,144
New hires onboarded
Sales force employees: 712

Learning and capability

In FY 2025-26, we continued to strengthen our learning and leadership development framework through structured onboarding, skill development and regulatory learning programmes. Our FINDUCT programme reached out to every new joiner, combining on-the-job trainings and role-based certifications.

In addition, we launched skill gap-based learning programmes at department level and drove the Culture of Quality programme across the organisation at all levels. The initiatives helped improve processes, reducing audit observations and reduction in customer complaints.

We also focused on targeted capability building through programmes such as Credit Risk Bootcamps, AWS Skill Development, and AI enablement for improving efficiency. Alongside this, all



employees completed regulatory and mandatory training on AML, POSH, and Information Security, further strengthening regulatory awareness and compliance readiness.

We launched leadership and managerial effectiveness programmes like 1,000 change leaders, strength-based leadership and executive coaching to develop best-in-class leaders and managers.

Corporate social responsibility

We remain committed to strengthening our focus on financing micro and small enterprises through tailored product offerings such as Vyapar Loans, PL-Kushal, Disha-HL, and Shakti M-LAP, designed to address the varied needs of aspiring customers. We are extending credit for underserved communities; we support income generation, improve livelihoods, and enable upward economic mobility. These efforts contribute meaningfully to advancing financial inclusion while empowering emerging entrepreneurs and households striving for financial independence and a better quality of life. In turn, this fosters greater inclusivity, encourages entrepreneurship, and creates employment opportunities.

4,900+

Households financed through small-ticket sized loans

Strengthening communities

We are committed to making a positive impact beyond our business by driving initiatives that improve lives and create long-term opportunities. Building on this, we partnered with the Axis Bank Foundation to support a sustainable livelihood programme in underserved communities. The skill development initiatives are part of the sustainable livelihood programme. These initiatives aim to create multiple income opportunities and reduce dependence on traditional sources such as farming and daily wage labour.

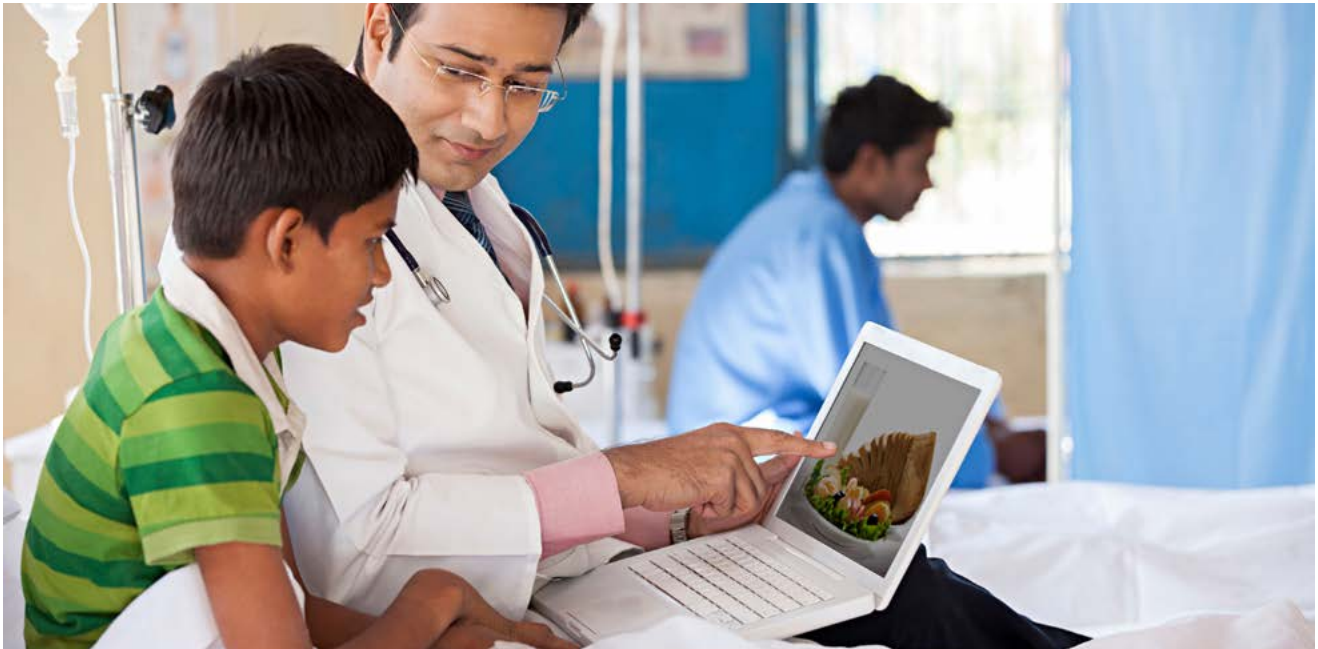
Our efforts focus on strengthening community institutions' watershed management, improving agricultural practices, encouraging allied activities such as livestock management, and enabling access to healthcare and government entitlements. These interventions help households increase their income and improve their overall quality of life.

90,000+

Community (families and individuals) supported through our CSR initiatives

4,600+

Participants covered under skill development initiative



Advancing care for differently enabled individuals

Through our partnership with the Cerebral Palsy Association of India, we provide individuals with cerebral palsy and multiple disabilities access to therapies and development programme. This includes physiotherapy, occupational therapy, speech therapy, and sensory therapy that enhance physical and cognitive well-being. In addition, the programme focuses on skills for daily living and engagement activities that help build confidence and enable individuals to participate more proactively in their daily lives.

190+

Special persons (children and adults) provided with 27,000+ therapy sessions

Supporting children undergoing cancer treatment

In partnership with Cuddles Foundation, we provide nutritional support to underprivileged children undergoing cancer treatment. It covers dietary counselling, nutrition assessment, and access to essential nutritional supplements and ration packets for families migrated to cities for pursuing their child's cancer treatment.

By addressing malnutrition, these interventions help improve treatment outcomes and support the recovery process while also creating awareness among families and caregivers about the importance of nutrition.

650+

Children made over 2,400 visits to supported centres (in hospitals) and received 12,000+ nutrition-related counselling sessions

Serving our customers responsibly

Building trust with our customers is central to our business. As digital adoption increases, protecting customer data and ensuring secure transactions have become even more crucial. We follow industry best practices to safeguard our systems and customer information. This includes regular risk assessments, continuous monitoring, and periodic testing of our digital infrastructure to protect against potential threats. Through these measures, we aim to provide a safe and reliable experience for our customers.

During the year, we strengthened our systems to protect customer data and ensure secure operations. This included regular risk assessments, enhanced monitoring, and timely testing of our digital infrastructure to reduce exposure to external threats. We further strengthened technology leverage by including AI-led tools to monitor trends, improve decision-making, and strengthen operational efficiency.

A framework built on accountability

We believe strong governance is essential to building a resilient organisation. Our approach is based on accountability and sound decision-making, with a clear focus on doing business the right way. With experienced leadership and active Board oversight, we maintain high standards across our operations.





Structured governance

We strengthened our governance framework by improving how we identify, assess and monitor key parameters across our organisation. During the year, we expanded our Risk Appetite Statement to include a broader set of parameters, covering liquidity, asset quality, interest rate sensitivity, and technology-related factors.

Moreover, our Internal Capital Adequacy Assessment Process (ICAAP) continues to support capital planning, with regular stress testing to assess resilience under different scenarios. Key matters are reviewed periodically at both Board and management levels to ensure timely oversight and direction.

Strengthening risk management and controls

We deepened our internal control environment by improving accountability across teams. The expansion of the RCSA (Risk and Control Self-Assessment) framework has enhanced ownership at the operating level.

We also aligned internal registers more closely with policies and standard operating procedures and integrated inputs from audit, compliance, and monitoring teams to improve overall effectiveness. Select processes were automated to improve accuracy and reduce manual dependencies. In addition, our model governance practices have also evolved, with more structured validation processes, clearer documentation, and stronger internal capabilities.

Improving operational and partner oversight

Operational discipline remains a priority as we scale. During the year, we enhanced monitoring mechanisms, strengthened incident management practices, and introduced structured reviews across key operational areas.

Additionally, we strengthened our approach to third-party oversight by centralising vendor information, improving classification and materiality assessment, and introducing stronger controls for onboarding and monitoring. These steps have improved visibility and ensured better governance over outsourced activities.

Financial discipline and fraud prevention

We continue to take a proactive approach to safeguarding the organisation. In FY 2025-26, we introduced additional safeguards. These include stronger verification processes and data-led early warning systems to identify potential concerns at an early stage.

Furthermore, we streamlined investigation processes to ensure timely closure and better tracking of cases. Our asset-liability management practices were strengthened through improved liquidity monitoring, system-driven stress testing assessments, and more system-driven reporting.

Using technology to strengthen governance

Technology is playing an increasingly important role in strengthening governance. We are moving towards

more automated and data-driven processes across monitoring and operations.

Key initiatives include system-based tracking of key metrics, the use of scorecards and rule-based engines to support decisions, and greater use of analytics to improve reporting and oversight. These efforts are helping us build a more responsive and efficient governance environment.

People and culture

Our governance framework is supported by a strong focus on people and culture. We invested in capability building through training programmes and leadership development initiatives in FY 2025-26. This was aimed at improving skills and strengthening accountability across the organisation. At the same time, we recognise the need to improve diversity within the organisation and remain committed to making progress in this area.

Commitment to ethical conduct

Integrity and transparency remain central to how we operate. Our policies on ethical conduct, customer stability, staff accountability and responsible lending guide our interactions with all stakeholders. We have mechanisms in place, including whistleblower channels and independent assurance functions, to support accountability across the organisation. As regulatory expectations evolve, including those applicable to upper-layer NBFs, we continue to strengthen our compliance and governance practices.

Progress during the year

In FY 2025-26, we strengthened our governance practices through focused execution and improved oversight. The scope of our Risk and Control Self-Assessment (RCSA) framework was expanded to cover risks across all units of AFL, resulting in the assessment of inherent risks across all processes in AFL. This supports greater consistency and control across the organisation. We moved further towards system-

driven monitoring and reporting, reducing manual intervention and improving consistency across processes.

We also fortified our internal control environment by standardising performance management practices and improving accountability across teams.

In addition, we progressed the implementation of the new labour

code and continued to track governance practices such as mandatory and surprise leaves to enhance oversight and control discipline. These measures have helped reinforce transparency and ensure consistent application of governance standards across the organisation.



917

Inherent Risks covered around 196 processes under the expanded Risk and Control Self-Assessment (RCSA) framework



Meet our Board of Directors



Corporate Information

Leadership Team

Sai Giridhar

Managing Director & CEO

Vishal Sharan

Whole-Time Director

Amith Iyer

Chief Financial Officer

Rajneesh Kumar

Head Legal & Company Secretary

Shyam Reddipalli

Chief Business Officer- Retail

Bal Krishna Thakur

Chief Compliance Officer

Kishore M Babu

Chief Risk Officer

Deepti Dayal

Head, Credit-Corporate & MSME

Balaji Natarajan

Chief Operating Officer

Navalkumar Lad

Chief Technology Officer

Dominic Oliveira

Chief Audit Executive

Pradeep Kumar

Head, Retail Credit

Radhika Gordhandas

Head, Resources

Statutory Auditors

M/s. G. M. Kapadia & Co.

Chartered Accountants

M/s. Khandelwal Jain & Co.

Chartered Accountants

Secretarial Auditor

M/s. BNP & Associates

Practicing Company Secretaries

Bankers

- » Axis Bank Limited
- » Bank of Baroda
- » Banking Corporation Limited
- » Bank of India
- » Canara Bank
- » Federal Bank Limited
- » HDFC Bank Limited
- » ICICI Bank Limited
- » IDBI Bank
- » Indian Bank
- » Mizuho Bank Limited
- » National Bank for Agriculture and Rural Development
- » Punjab & Sind Bank
- » Punjab National Bank
- » State Bank of India
- » Small Industries Development Bank of India
- » South Indian Bank Limited
- » The Hongkong and Shanghai Banking Corporation Limited
- » Union Bank of India
- » UCO Bank

Registered and Corporate Office

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

Debenture Trustee

Catalyst Trusteeship Limited

(Formerly known as GDA Trusteeship Limited)

901, 9th Floor, Tower - B,
Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W),
Mumbai - 400 013

Tel: +91-22-49220555

Email: ComplianceCTL-Mumbai@ctltrustee.com

Website: www.catalysttrustee.com

Registrar & Transfer Agent (For NCDs)

MUFG Intime India Private Limited

(Formerly known as Link Intime India Private Limited)

Office: C101, Embassy 247,
L B S Marg, Vikhroli West,
Mumbai 400 083

Tel: +91 22 49186000

Fax: +91 22 49186060

Email: mumbai@linkintime.co.in

Website: www.linkintime.co.in

Registrar & Share Transfer Agent (For Equity Shares)

KFIN Technologies Limited

(Formerly known as KFin Technologies Private Limited)

Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500 032

Tel No.: 18003094001

Email: karisma@kfintech.com

Statutory reports

Board's Report	48
Management Discussion and Analysis	96
Notice	124



Board's Report

To,
The Members of
Axis Finance Limited

Your Directors take pleasure in presenting the 31st Annual Report on the business, operations and state of affairs of Axis Finance Limited ('your Company / the Company') together with the audited financial statements of the Company for the financial year ended March 31, 2026.

Financial Performance of the Company

The highlights of the Financial Performance of the Company for the Financial Year ('FY') 2026 are as under:

Particulars	(₹ in Crore)	
	FY 2025-26	FY 2024-25
Total Revenue	5,046.17	4,100.64
Total Expenditure	3,949.01	3,223.44
Profit/(Loss) before Taxation	1,097.16	877.20
Tax expenses / (Credit)	285.16	224.73
Profit/(Loss) after Taxation	812.00	652.47
Other comprehensive income	18.90	(15.58)
Total Comprehensive Income for the year	830.90	636.89
Balance brought forward from previous year	2,158.92	1,636.95
Profit available for appropriation		
Less: Appropriations		
- Final Equity Dividend	-	-
- Tax on Equity Dividends	-	-
- Previous Year Tax on Equity Dividends	-	-
- General Reserve	-	-
- Transfer to Statutory Reserve	162.40	130.50
Surplus carried to the Balance Sheet	2,808.52	2,158.92

Notes—The figures mentioned in the table above are extracted from the financials of the Company

The financial statements for the FY under review, forming part of this Annual Report, have been prepared in accordance with IND-AS notified under section 133 of the Companies Act, 2013 ('the Act') and the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time.

During the FY under review, the Company continued its focus on its lending activities in Corporate Banking segment (Wholesale and Emerging corporate) and Retail segment and posted total income and net profit of ₹ 5,046.17 Crore and ₹ 812 Crore as against ₹ 4,100.64 Crore and ₹ 652.47 Crore, respectively, in the previous year.

During the period under review, the Company is not required to maintain the cost records as per the provisions of section 148 of the Act.



Accounting Standards

The Company has complied with the applicable Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs under section 133 of the Act. The financial statements for the year have been prepared in accordance with division III of schedule III to the Act.

Further, since Axis Bank Limited (Holding Company) still continues to report under the Indian Generally Accepted Accounting Principles (IGAAP), the Company in addition prepares financials as per IGAAP for the purpose of consolidation of accounts with the Holding Company.

Transfer to Reserve Funds

Pursuant to section 45-IC(1) of Reserve Bank of India ('RBI') Act, 1934, every Non-Banking Financial Company ('NBFC') is required to transfer a sum not less than 20% of its net profit every year to reserve fund. Accordingly, for the year under review, your Company has transferred an amount of ₹ 162.40 Crore to its Reserve Fund.

Pursuant to provisions of Companies Act, 2013 ('the Act') read with relevant rules thereunder, the Company, being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed debentures. However, the Company maintains sufficient liquidity margin to fulfil its obligations arising out of debentures. In case of secured debentures, a security cover of over minimum 1.0x is always maintained.

Dividend

During the year under review, the Board had not declared any interim dividend. Further, in order to preserve capital, the Company do not recommend any final dividend for the FY 2026. The dividend distribution policy, setting out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profit earned approved by the Board of Directors. During the FY under review, the Dividend Distribution Policy was amended by the Board of Directors. The said policy is available on the website of the Company and can be accessed at <https://www.axisfinance.in/policies-and-standards/dividend-distribution-policy>.

Unclaimed Amounts

Dividend

Pursuant to sections 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), including amendment thereto, dividend, if not claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Since there was no amount lying w.r.t unpaid / unclaimed dividend, the provisions of section 125 of the Act does not apply.

Interest / Redemption

Pursuant to Regulation 61A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), amount to be transferred to IEPF in respect to redemption of Non-Convertible Securities and interest thereon by the Company was transferred within the prescribed timelines. Further, as on March 31, 2026 amount lying in unpaid / unclaimed in respect of the Non-Convertible Securities issued by the Company is available on the website of the Company at <https://www.axisfinance.in/docs/default-source/unclaimed-amount>.

State of Company's Affairs

Your Company is one of the well-known NBFC in the financial services industry and holds the recognised brand name of Axis Group. The Company does its business after taking into consideration its core values and ethics.

The operating and financial performance of the Company and information on the affairs of the Company has been given as part of the Management Discussion and Analysis section of this Board's Report, annexed as **Annexure 4**.

Finance

During the year under review, the Company raised funds from various public / private sector banks, mutual funds Pension funds, Corporate Treasuries and financial institutions. The Company continued to borrow funds inter-alia by issue of Commercial Papers and Non-Convertible Debentures, Credit facilities from banks / financial institutions etc. Details in this regard are more particularly mentioned in the audited financial statements.

Credit Rating

During the year under review, Crisil Ratings Limited ('CRISIL'), CARE Ratings Limited ('CARE'), India Ratings and Research Private Limited ('India Ratings') and Brickwork Ratings India Private Limited ('Brickwork') have reviewed and re-affirmed the ratings for the Company.

Below are the ratings assigned as on March 31, 2026:

Sr. No	Facility / (ies)	CRISIL	CARE Ratings	INDIA Ratings	Brickwork Ratings	Amount (₹ in Crore)			
						CRISIL	CARE	INDIA Ratings	Brickwork
1.	Non-Convertible Debentures	CRISIL AAA / Stable	CARE AAA / Stable	IND AAA / Stable	N.A.	15,326.40	23,000.00	17,010.00	-
2.	Principal protected Market linked Debentures	N.A.	CARE AAA / Stable	N.A.	N.A.	-	1,500.00	-	-
3.	Subordinated Debt	CRISIL AAA / Stable	CARE AAA / Stable	IND AAA / Stable	N.A.	3,500.00	3,500.00	3,470.00	-
4.	Perpetual Debt	CRISIL AAA / Stable	CARE AAA / Stable	N.A.	BWR AAA / Stable	1,200.00	2,000.00	-	300.00
5.	Bank Lines Long Term / Short Term	N.A.	CARE AAA / Stable / CARE A1+	IND AAA / Stable / IND A1+	N.A.	-	15,000.00	34,000.00	-
6.	Commercial paper	CRISIL A1+	N.A.	IND A1+	N.A.	6,000.00	-	6,000.00	-
7.	Commercial paper (for Proprietary IPO investment)	CRISIL A1+	N.A.	IND A1+	N.A.	1,000.00	-	1,000.00	-

Capital Structure

a) Authorized Share Capital

During the FY under review, the Authorized Share Capital of the Company stood at ₹ 1,000,00,00,000/- (Rupees One Thousand Crore only) divided into 100,00,00,000 (One Hundred Crore) equity shares of ₹ 10/- (Rupees Ten only) each.

b) Issued and Paid-up Capital

As on March 31, 2026, the issued, subscribed and paid-up capital of the Company stood at ₹ 693,57,05,390/- (Rupees Six Hundred and Ninety-Three Crore Fifty-Seven Lakh Five Thousand Three Hundred and Ninety only) divided into 69,35,70,539 (Sixty-Nine Crore Thirty-Five Lakh Seventy Thousand Five Hundred and Thirty-Nine) equity shares of ₹ 10/- (Rupees Ten only) each.

c) Capital Adequacy Ratio

The Capital to Risk Asset Ratio (CRAR) as on March 31, 2026 stood at 19.65%.



Subsidiaries / Joint Venture / Associate Companies

The Company is a wholly owned subsidiary of Axis Bank Limited ('Holding Company'). Further, the Company does not have any subsidiary, joint venture or associate companies. Also, the Company did not become a part of any joint venture during the year under review.

Significant Event during the year ended March 31, 2026

No significant event occurred during the year under review.

Management Discussion & Analysis Report

The Management Discussion and Analysis Report as mandated by the RBI Directions and pursuant to the Listing Regulations is part of this Board's Report, annexed as **Annexure 4**.

Board of Directors

Directors and Key Managerial Personnel

The composition of the Board is in compliance with the applicable provisions of the Act and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India, applicable regulations issued by Securities and Exchange Board of India and other applicable laws *inter-alia* with respect to appointment of women director, non-executive director(s) and independent director(s).

As on March 31, 2026, the Board of Directors of the Company are as follows:

Sr. No.	Name of the Director	DIN	Category
1.	Amitabh Chaudhry	00531120	Chairman, Non - Executive Director
2.	Deepak Maheshwari	08163253	Non - Executive Director
3.	BabuRao Busi	00425793	Independent Director
4.	U B Pravin Rao	06782450	Independent Director
5.	K. Narasimha Murthy	00023046	Independent Director
6.	Pallavi Kanchan	07545615	Independent Director
7.	N. Rajashekaran	02313710	Independent Director
8.	Puneet Sharma	06964749	Non - Executive Director
9.	Sai Giridhar	10757486	Managing Director & CEO
10.	Vishal Sharan	11056592	Whole-Time Director

Change in Directorate

During the year under review, Vishal Sharan has been appointed as a Whole-Time Director of the Company for a period of 3 (three) years w.e.f. May 29, 2025 up to May 28, 2028.

Director(s) Liable to Retire by Rotation

In accordance with Section 152 of the Act read along with the applicable The Companies (Appointment and Qualifications of Directors) Rules, 2014, unless the Articles of Association provide for retirement of all directors at every Annual General

Meeting, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Amitabh Chaudhry (DIN: 00531120), Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Key Managerial Personnel

In terms of section 203 of the Act and applicable provisions of the Listing Regulations, following were the Key Managerial Personnel of the Company as on March 31, 2026:

Sr. No.	Name of Key Managerial Personnel	Category
1.	Sai Giridhar	Managing Director & CEO
2.	Vishal Sharan	Whole-Time Director
3.	Rajneesh Kumar	Company Secretary and Compliance Officer
4.	Amith Iyer	Chief Financial Officer

During the year under review, Vishal Sharan has been appointed as a Whole-Time Director of the Company for a period of 3 (three) years w.e.f. May 29, 2025 up to May 28, 2028.

Declaration of independence and Disclosures received from Directors

All the Independent Directors of the Company have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(7) of the Act read with Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 62N(9) read with Regulation 62B(1)(b) of the SEBI Listing Regulations and continues to comply with the Code of Conduct laid down under Schedule IV of the Act.

The Board has assessed the veracity of the confirmations submitted by the Independent Directors and thereafter has taken the same on record. There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors are competent, experienced, proficient and possess necessary expertise and integrity to discharge their duties and functions as Independent Directors. The names of all Independent Directors are included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://www.axisfinance.in/docs/default-source/policies-and-standards/codes---policies/letter-of-appointment-independent-directors.pdf>.

In the opinion of the Board, all the Independent Directors are independent of the management.

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, regulations of SEBI, directions issued by Reserve Bank of India read with circulars, notifications, directions issued and other applicable laws (as amended from time to time), none of the Directors of your Company are disqualified from being appointed as Directors of the Company.

Familiarization Programme

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis.

The said policy provides guidelines with respect to:

- Induction program for new Directors;
- Continuous Education and Learning Programme ('CELP') for Directors.



During the FY under review, the Board also reviewed and approved amendments to the said policy, in line with the extant laws. The details relating to the familiarization programme are available on the website of the Company at <https://www.axisfinance.in/docs/default-source/policies-and-standards/codes---policies/familiarization-program.pdf>.

Fit and Proper Criteria & Code of Conduct

The Company has formulated and adopted a policy on fit and proper criteria for Board of Directors of the Company (the 'Policy').

In terms of the said policy, the Nomination and Remuneration Committee assesses and confirms to the Board the 'fit and proper' status of the Director as per the extant laws, before considering his / her candidature for appointment / re-appointment as a Director of the Company and annually i.e., as at March 31 every year. The primary objective of the policy is to provide a framework to enable the Company to ensure that persons who are being considered for appointment / re-appointment as Director(s) of the Company are compliant with the fit and proper norms, as it is the key criteria on the basis of which, the candidature of person shall be assessed and confirmed by the Nomination and Remuneration Committee, before it recommends the candidature of such person for being appointed / re-appointed as a Director of the Company, for the approval of the Board.

The Company has received the 'Fit and Proper' declarations from all the Directors of the Company, which have been taken on record by the Nomination and Remuneration Committee and the Board of Directors.

All the Directors meets the fit and proper criteria stipulated by RBI. All the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company.

During the FY under review, the Board also reviewed and approved amendments to the said policy, in line with the extant laws.

Board Performance Evaluation

The Act and the SEBI Listing Regulations provide for evaluation of the performance of the Board, its Committee's and individual Directors of the Company.

The Company has institutionalised the board performance evaluation process. The Nomination and Remuneration Committee annually reviews and approves the criteria and the mechanism for carrying out the exercise effectively. The methodology used for the annual board performance evaluation and the outcome are placed before the Nomination and Remuneration Committee and Board of Directors of the Company.

Directors Responsibility Statement

In terms of Section 134(3)(c) and 134(5) of the Act, the Directors hereby state that:

- a. the applicable accounting standards have been followed in the preparation of the annual accounts for FY 2026.
- b. accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for the year ended on that date.
- c. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the annual accounts have been prepared on a going concern basis.
- e. adequate internal financial controls to be followed by the Company have been laid down and they are operating effectively.
- f. proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and
- g. these systems are operating effectively.

Meetings of the Board / Committees

The schedule in respect of the meetings of the Board / Committees to be held during the next fiscal year is circulated in advance to all the members of the Board.

During FY 2026, nine (9) meetings of the Board were held. Details of Board meetings, Board composition, Committee meetings and Committee composition are provided in the Report on Corporate Governance, which forms part of this Board's Report, annexed as **Annexure 2**.

Audit Committee

The composition, role and functions of the Audit Committee is provided in the Report on Corporate Governance, which forms part of this Board's Report, annexed as **Annexure 2**.

During FY 2026, the Board has accepted all the recommendations made by the Audit Committee and hence, no further explanation towards this is required to be provided, in this Board's Report.

Related Party Transactions

During FY 2026, all the related party transactions were entered in the ordinary course of the business of the Company and on an arm's length basis. Accordingly, there were no transactions entered during the FY 2026 that fall under the scope of Section 188(1) of the Act, hence, form AOC-2 is not applicable to the Company.

The details of related party transactions are provided in note no. 36.

Adequacy of Internal Financial Controls related to Financial Statements

The Company has laid down a system of internal financial controls with reference to its financial statements. The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, training and development of employees, and an organisation structure that segregates responsibilities. These controls are reviewed and tested to ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

The internal financial controls of the Company with respect to the financial statements are adequate and are operating effectively.

Whistle Blower Policy and Vigil Mechanism

The Company has formulated and adopted a whistle blower policy and vigil mechanism, details of which have been provided in the Report on Corporate Governance which forms part of this Board's Report, enclosed as **Annexure 2**.

During the year under review, the Company had received one (1) whistle blower complaint(s) and the same has been closed.

Human Resource

The Company believes its employees are important pillars of success. It offers them a nurturing environment and a merit based, rewarding work culture. The Company is certified as a Great Place To Work, 3rd time in a row. The Company undertakes various employment engagement initiatives and regular reviews for optimal utilisation of human resources. Knowledge sharing and cross functional industry insights have enabled our staff to meet evolving business environment. With the expansion plans of Retail Finance and MSME business, the Company has inducted experienced industry talent at senior and mid-level into the organization. Talent across diversified business processes has been inducted to strengthen the Organization's Growth, Profitability & Sustainability. In addition, there is focus on hiring for Technology and Analytics teams.

To accelerate the Company's growth and agility across locations, the Company has focused on strategic hiring and the employee strength has increased to 2,257 employees as on March 31, 2026.

Employer focused on skilling and training its employee by training them on Policies and SOPs. In addition, there is a lot of emphasis on learnings on compliance, risk and regulatory areas. It is mandated for every employee to complete regulatory



training. During the year under review, various programs have been driven like Finduct, Strength Based Leadership, Leadership Coaching, 1000 Change Leaders, High Performing Managers Program, Tech Enablement, Credit Risk Boot Camp, Quality of Culture, Process Masters Workshop etc.

In addition to the above, various activities are being carried out in the Company to ensure adherence to the employee friendly and healthy work culture. Some examples are Values Month, Townhalls, Festive Celebrations, Sports/ Recreational Activities at Branches and Wellness Activities. The Company has a dedicated email ID for resolving employees concerns / grievances and an email ID for direct access to the employees to reach out to the Managing Director & CEO. The Company encourages employees to take required breaks and has a Mandatory Leave Policy, other staff benefits which includes subsidized staff housing loan, two wheeler loan, Company Car benefit, professional upskilling benefits and health insurance benefits.

Compliance of Maternity Benefits Act, 1961

During the year under review, the Company has complied with the provisions relating to the Maternity Benefits Act, 1961.

Remuneration Policy

The Company has formulated Remuneration Policy for its Directors and Remuneration Policy for its Key Managerial Personnel and Other Employees in terms of the relevant provisions of section 178 of the Act, the relevant rules made thereunder, the Listing Regulations and Master Directions / guidelines / circulars issued by the RBI.

The said policy is also placed at the website of the Company at <https://www.axisfinance.in/docs/default-source/policies-and-standards/codes---policies/remuneration-policy.pdf>.

In terms of provisions of the section 197 of the Act read with Rule 5(2) and Rule 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the members at the registered office of the Company during business hours on working days. A copy of this statement may be obtained by the members by writing to the Company Secretary of the Company. The Board hereby confirms that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.

Employee Stock Options

In order to enhance employee motivation, create a retention mechanism, usher in an 'owner-manager' culture, align the interest of the key executives / employees with that of the shareholders in driving long-term value creation for the Company and enable employees to participate in the Company's long-term growth and financial success, the Company has adopted Axis Finance Employee Stock Option Plan ('the Plan').

The Company dated August 22, 2025 has approved an issue of stock options (the Plan) up to a maximum of 1.94% of the then issued equity capital of the Company aggregating to 3,60,65,668 equity shares of the face value of ₹ 10 each which will vest in a graded manner over 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. During the year ended March 31, 2026, pursuant to the approval of the Nomination and Remuneration Committee, the Company granted options (each option representing entitlement to one equity share of the Company) to eligible employees as set out below:

Sr. No.	Particulars	Remarks
1.	Options Granted	: 1,31,80,863
2.	Options Vested	: Not Applicable
3.	Options Exercised	: Not Applicable
4.	Total number of shares arising as a result of exercise of option	: Not Applicable
5.	Options Lapsed / Cancelled	: 2,16,336
6.	Exercise Price	: ₹ 120.80
7.	Variation of terms of Options	: Nil
8.	Money realized by Exercise of Options	: Not Applicable

9.	Total number of options in force	:	129,64,527
10.	Employee wise details of options granted to:		
a.	Key Managerial Personnel	:	21,01,813
b.	Any other employee who receives a grant of options in any 1 year of option amounting to 5% or more of options granted during that year	:	Not Applicable
c.	Identified employees who were granted option, during any 1 year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	:	Not Applicable

Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Committee ('IC') has been constituted to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy and the Policy is gender neutral.

IC has its presence at corporate office and one (1) representative from each location is the member of IC. The role of the Committee is not restricted to mere redressal of complaints but also encompasses prevention and prohibition of sexual harassment.

During the year under review, the Company conducted nine (9) trainings, of which three (3) were held in-person and six (6) were held online for remote locations on POSH awareness.

The details relating to the number of complaints received and disposed of during the FY 2026 are as under:

Particulars		Number of complaints
Filed during the financial year	:	1
Disposed off during the financial year	:	1
Pending as at the end of the financial year	:	0

The Policy on Prevention of Sexual Harassment at Workplace is also placed at the website of the Company at <https://www.axisfinance.in/docs/default-source/policies-and-standards/codes---policies/policy-on-prevention-of-sexual-harassment.pdf>.

Auditors

Statutory Auditors

During the FY under review, M/s Khandelwal Jain & Co., Chartered Accountants were appointed as the joint Statutory Auditors of the Company by the shareholders for a period of three (3) years commencing from the conclusion of the 30th Annual General Meeting until the conclusion of the 33rd Annual General Meeting to be held in the calendar year 2028 on such terms and conditions including remuneration, as may be approved by the Audit Committee and the Board.

Further, M/s G. M. Kapadia & Co., Chartered Accountants also holds office as one of the joint Statutory Auditors of the Company for a period of three (3) years from the conclusion of the 29th Annual General Meeting until the conclusion of 32nd Annual General Meeting of the Company to be held in calendar year 2027 on such terms and conditions including remuneration, as may be approved by the Audit Committee and the Board.

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2026 and forms part of the Annual Report. The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. There are no fraud reported by the Auditor's under sub-section (12) of section 143 of the Act, therefore no comment by the Board thereon is required.



In accordance with the RBI guidelines, the Company has framed a policy on 'Appointment of Statutory Auditors' and has also identified internal set of evaluation criteria for assessing the goodness of fit in terms of experience and eligibility for the audit firms including auditor independence.

Secretarial Auditor

The Company has voluntarily adopted a policy on 'Appointment of Secretarial Auditors', duly approved by the Board, on the recommendations of the Audit Committee, which, *inter-alia*, provides for the selection, appointment and rotation of Secretarial Auditors, which was reviewed by the Board.

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 62M read with regulation 24A of Listing Regulations and in terms of the Board approved Policy on Appointment of Secretarial Auditors and basis the recommendation of the Audit Committee, the Company had appointed M/s BNP & Associates, Practicing Company Secretaries (Firm Registration Number. P2014MH037400) as Secretarial Auditor of the Company for a term of five (5) years commencing from the conclusion of 30th Annual General Meeting held in calendar year 2025 up to 35th Annual General Meeting to be held in calendar year 2030.

The report of the Secretarial Auditor in form MR-3 which forms part of this Board's Report, annexed as **Annexure 1**. For the year under review, there has been no qualification, reservation, adverse remark or disclaimers made by the Secretarial Auditor in his report.

Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by the ICSI.

Report on Corporate Governance

For the FY under review, the report on Corporate Governance, which forms part of this Board's Report, annexed as **Annexure 2**.

Risk Management

The Company manages a diverse set of risks that can significantly influence its financial performance and its ability to meet the expectations of customers, shareholders, regulators and other stakeholders. These include financial risks—such as credit, market, interest rate, liquidity and funding risks and non-financial risks such as operational (including compliance and model risks), strategic and reputational risks. Periodic assessments are undertaken to identify emerging and existing risk areas, and management is briefed in advance to facilitate timely mitigation. These risk insights are also incorporated into the annual business planning process.

The Company's Risk Management Framework delineates the governance structure, policies and processes for comprehensive risk identification, assessment, monitoring and mitigation. It ensures that risks are managed in a consistent and disciplined manner across all business and functional units. Risk Management Committee ('RMC') meetings are conducted on a quarterly basis to assess key risks such as Credit Risk, Liquidity Risk, Operational Risk and other relevant risk categories.

In accordance with Reserve Bank of India guidelines, the Company has appointed a Chief Risk Officer ('CRO'), who is responsible for independent oversight of the risk function and for presenting key risk developments, portfolio insights and emerging risks to the RMC and the Board.

The Company continuously monitors its Risk Appetite, which is articulated in a formal Risk Appetite Statement reviewed at least quarterly by the RMC and periodically by the Board. Both bodies receive structured reports covering risk levels, limit utilisation, portfolio composition and early warning indicators. The Board is regularly apprised of major business risks and the mitigation actions implemented by management. As part of its oversight responsibilities, the Board provides credible challenge, monitors the effectiveness of the risk management program and holds management accountable for operating within the defined risk appetite.

The Company's risk governance is underpinned by the "Three Lines of Defence" model:

1. First Line – Business & Operational Units: Responsible for day to day risk ownership and operating within approved policies and risk appetite.
2. Second Line – Risk Management & Compliance: Provides independent oversight, monitoring, policy formulation and guidance.
3. Third Line – Internal Audit: Provides independent assurance on the adequacy and effectiveness of internal controls and risk management processes.

Risk Culture and Conduct Risk

The Company emphasises a strong risk culture supported by clear tone from the top, transparent communication, accountability and adherence to ethical standards. Conduct risk is actively monitored to ensure customer fairness, market integrity and regulatory compliance. All employees are required to comply with internal policies, applicable laws and supervisory expectations.

Technology, Analytics and Model Governance

Risk management is supported by technology driven solutions, data analytics and robust management information systems. The Company has implemented model governance standards to ensure reliability, periodic validation and appropriate use of internal models such as credit scoring, ECL, stress testing and portfolio analytics.

Cyber Security, Information Security and Business Continuity

Cyber security and Information Security risks are managed through strong governance practices, periodic assessments and adoption of best practice security protocols. The Company maintains a Business Continuity Plan and Disaster Recovery mechanisms to ensure the continuity of critical operations in the event of disruptions.

Stress Testing and Scenario Analysis

The Company conducts periodic stress testing and scenario analyses to assess the resilience of its portfolios and liquidity position under adverse economic, geopolitical and market conditions. The outcomes support proactive risk mitigation, capital planning and liquidity contingency strategies.

Continuous Improvement and Regulatory Alignment

The Company remains committed to continual enhancement of its risk management practices by adopting industry best practices, internal learnings and evolving regulatory guidelines. Improvements are undertaken to ensure ongoing alignment with RBI expectations for NBFCs and emerging risk management standards.

Compliance

In accordance to the provisions of Section 134(5)(f) of the Companies Act, 2013, the Company has put in place a Compliance Management System for tracking and managing critical action items related to regulatory and internal compliance requirements.

The Company continues to comply with the applicable regulations and guidelines of the Reserve Bank of India as applicable to a Non-Deposit Taking NBFC–Middle Layer. The Company has submitted returns with RBI on timely basis.

Internal Audit

The Company has laid down a standard set of policies, processes and systems which ensures internal financial controls across the organisation with reference to financial statements and that such controls are adequate and are operating effectively.

The Internal Audit Plan is developed based on the residual risk profile of the organisation's business, operations and support functions. The audit plan is approved by the Audit Committee of the Board, which regularly reviews the status of the audit plan and performance of the internal audit department and provides directions wherever required. Further, based on the internal audit reports, process owners undertake corrective action with respect to policies and procedures in their respective areas,



thereby strengthening the internal controls. Significant audit observations, emanating from internal audit and corrective actions thereon, are presented to the Audit Committee of the Board.

The Company performs the Risk and Controls Self-Assessment (RCSA) and the Compliance testing, respectively of the controls and operating procedures based on an approved RCSA and Compliance testing plan during the financial year. The Company also conducts the testing of the design and efficiency of Internal Controls over Financial Reporting and timely remediation of identified control deficiencies, if any. Further, the Company monitors Information and Technology General Controls (ITGC) periodically. The Company has implemented required controls through systems and processes, ensuring a robust control framework.

During the year under review, such controls were tested and no material weaknesses were noted, in the design or operations.

Corporate Social Responsibility

During the FY under review, the Company undertook the Corporate Social Responsibility ('CSR') activities through Axis Bank Foundation and through its implementing agencies. The programs / activities carried out / supported by your Company are aligned with The Companies (CSR Policy) Rules, 2014.

The Company formulated and adopted a CSR policy which provides the focus areas (in accordance with Schedule VII of the Act) under which various developmental initiatives are undertaken.

The composition of the CSR Committee, CSR policy and projects / programs approved by the Board are available on the website of the Company at <https://www.axisfinance.in/csr>.

The Annual Report on CSR activities of the Company during FY 2026 in accordance to The Companies (CSR Policy) Rules, 2014, is annexed as **Annexure 3**.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning / Outgo

Since the Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence provisions of section 134(3)(m) of the Act read with The Companies (Accounts) Rules, 2014 are not applicable and therefore the information with respect to the conservation of energy, technology absorption is not provided in this Board's Report. The Company is however, constantly pursuing its goal of technological up-gradation in a cost-effective manner for delivering quality customer service.

Further, the particulars regarding foreign exchange earnings and outgo appear as separate item in the notes to the Financial Statements.

Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of The Companies (Management and Administration) Rules, 2014 and Regulation 62(1)(k) of the Listing Regulations, the Annual Return of the Company as on March 31, 2026 in the prescribed form MGT-7 is hosted on the website of the Company and can be accessed at <https://www.axisfinance.in/investors-corner/stakeholders-information/annual-report>.

Other Disclosures

- a. **Change in the nature of business, if any:** During the year under review, there has been no change in the nature of business of the Company.
- b. **Significant and material order passed by regulators or courts or tribunals impacting the going concern status and future operations of the Company:** There were no significant and / or material orders passed by any regulator, court or tribunals or statutory authorities against the Company, which could impact its going concern status or future operations.
- c. **Deposits from Public:** During the year under review, the Company did not hold any public deposits nor has accepted any public deposit. The Company being a Non-Banking Finance Company categorized as Non-Deposit Taking NBFC-Middle Layer, it does not accept public deposits at any point of time and also ensures the due compliance of applicable guidelines of Reserve Bank of India in this regard.

- d. **Material changes and commitments affecting the financial position of the Company:** There were no material changes and commitments affecting the financial position of the Company, between the end of the FY to which the financial statements relate and the date of this report.
- e. **Particulars of loans, guarantees and investments:** Pursuant to Section 186(11) of the Act, the provisions of section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given, or security provided by the Company in the ordinary course of its business. The Company being a Non-Banking Financial Company, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. During the year under review, the Company had not made any investments in terms of provisions of Section 186(1) of the Act. The particulars of investments made by the Company are disclosed in notes no. 7 of the financial statements of the Company for the year ended March 31, 2026.
- f. **Maintenance of cost records:** The Company being a Non-Banking Financial Company, provisions of Section 148(1) of the Act, relating to maintenance of cost records is not applicable.
- g. **Proceedings under Insolvency and Bankruptcy Code, 2016:** There is no application or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.
- h. During the year under review, the Company has not obtained any registration / license / authorization, by whatsoever name called from any other regulators.

Annexures

The following statements / reports / certificates are annexed to the Board's Report:

1. Secretarial Audit Report pursuant to section 204 of the Act and regulation 62M read with Regulation 24A of the Listing Regulations
2. Report on Corporate Governance under Listing Regulations
3. Annual Report on CSR activities of the Company for FY 2026
4. Management Discussion and Analysis Report as mandated by the RBI Directions and pursuant to the Listing Regulations
5. Compliance Certificate from JPAT & Co. (Practicing Company Secretaries) regarding compliance of corporate governance, forming part of this Board's Report, annexed as **Annexure 5**.

Acknowledgement

The Board acknowledges with gratitude the continued support of regulators, financial institutions, lenders, investors, debenture holders and other stakeholders. The Board also appreciates the trust of its customers and the dedication of all employees, whose commitment and professionalism have enabled the Company to deliver responsible growth and uphold its reputation as a prudent and customer-centric financial institution.

On behalf of the Board of the Directors

Place: Mumbai
Date: April 17, 2026

sd/-
Amitabh Chaudhry
Chairman
DIN: 00531120



Annexure 1

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Axis Finance Limited
Reg. Office Address: Axis House, Ground Floor,
Wadia International Centre,
Worli, Mumbai - 400025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Finance Limited** having **CIN: U65921MH1995PLC212675** (hereinafter called 'the Company') for the Financial Year ended March 31, 2026 (the "Audit Period / review Period").

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) **Our verification** of the Company's books, papers, minutes books, soft copies of various records copies of minutes of the meetings of the Board of Directors of the Company (the Board) and Committees thereof, General meetings, forms and returns filed and records provided and other records maintained by the Company and furnished to us in relation to all compliance-related actions taken by the Company during the Financial Year 2025-26 as well before the date of issue of this report;
- (ii) **Compliance Certificates** confirming Compliance with corporate laws applicable to the Company given by Managing Director and CEO / ~~Senior Managerial Personnel~~ of the Company and taken on record by the Company's Audit Committee / Board of Directors, and
- (iii) **Representations** made, documents produced, and information provided by the Company, its Officers, Agents, and Authorized Representatives during our conduct of Secretarial Audit.

We hereby report that in our opinion, during the Audit Period covering the financial year ended on March 31, 2026, the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the year, in terms of the applicable provisions / clauses 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 External Commercial Borrowings;
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as amended from time to time;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The company has also maintained a Structured Digital Database ("SDD"), pursuant to the requirement of regulation 3 (5) and 3 (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time; and

- d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; read with Master Circular No. SEBI/HO/DDHS/DDHS PoD/P/CIR/2025/0000000137 dated October 15, 2025 as amended from time to time for Issue and Listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper;

- (vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) and notified by the Central Government under Section 118(10) of the Act which have mandatory application.

- (vii) Listing agreement entered into with the BSE Limited ('BSE') for listing of Debentures and Commercial Paper/s issued by the Company.

- (viii) Based on the nature of business activities of the Company, the following specific Acts / Laws / Rules / Regulations are applicable to the Company, which have been duly complied with:

- a) Applicable Master Directions issued by Reserve Bank of India for Non-Banking Financial Companies, as amended from time to time.

- b) The Prevention of Money Laundering Act, 2002 and the Rules made thereunder;

- c) The IRDAI (Registration of Corporate Agents) Regulations, 2015.

- d) Compliance with Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI);

1.2 During the period under review:

- i. The Company has complied with the all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.



- ii. Generally Complied with the applicable provisions / clauses of:
 - (a) The Secretarial Standards on meetings of Board of Directors (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, which are applicable to the meetings of the Board and the Committees constituted by the Board held during the year, the Adjourned 30th Annual General Meeting (“AGM”) held on Tuesday, June 24, 2025 and the Extra-ordinary General Meeting conducted by the Company dated August 29, 2025 and March 13, 2026.
 - (b) The compliance with the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board / Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Company.
- 1.3 During the audit period under review, the Company was not required to initiate any compliance related action in respect of the following laws / rules / regulations / standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form / returns thereunder:
 - (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (vi) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

2. Board Processes of the Company:

We further report that:

2.1 The Board of Directors and Key Managerial Personnel of the Company as on March 31, 2026 comprised of:

- (i) Five Independent Directors, including one independent women director, as under:
 - Mr. Pravin Rao (DIN: 06782450)
 - Mr. Babu Rao Busi (DIN: 00425793)
 - Mr. Narasimha Kummamuri Murthy (DIN: 00023046)
 - Ms. Pallavi Kanchan (DIN: 07545615)
 - Mr. Narasimhan Rajashekar (DIN: 02313710)
- (ii) Three Non- Executive Directors i.e.
 - Mr. Amitabh Chaudhary (DIN: 00531120)
 - Mr. Deepak Maheshwari (DIN: 08163253)
 - Mr. Puneet Sharma (DIN: 06964749)
- (iii) One Managing Director and Chief Executive Officer.,
 - Mr. Sai Giridhar (DIN: 10757486)

- (iv) One Whole Time Director i.e., Mr. Vishal Sharan (DIN: 11056592)
- (v) Chief Financial Officer – Mr. Amith Iyer
- (vi) Company Secretary and Compliance Officer – Mr. Rajneesh Kumar

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial personnel during the Audit Period, were carried out in compliance with the provisions of the Act and LODR:

- a) Re-appointment of Mr. Deepak Maheshwari (DIN: 08163253), Non-Executive Director, who was liable to retire by rotation, was re-appointed, at the Adjourned 30th Annual General Meeting of the Company, held on June 24, 2025.
- b) Based on the recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on April 14, 2025, the Board of Directors at its meeting held on April 17, 2025, had approved the appointment of Mr. Vishal Sharan (DIN: 11056592) as an Executive (Additional) Director of the Company. Subsequently, the members of the Company at adjourned 30th Annual General Meeting of the Company held on June 24, 2025 approved the terms of appointment and remuneration of Mr. Vishal Sharan (DIN: 11056592) as a Whole Time Director for a period of three years, effective May 29, 2025, being the date of approval received from Reserve Bank of India. Mr. Vishal Sharan is liable to retire by rotation as per relevant provisions of the Act.
- c) Based on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on January 23, 2026 the Board of Directors at its meeting held on April 17, 2025, had approved the re-appointment of Mr. Baburao Busi (DIN: 00425793), as a Non-Executive Independent Director of the Company for a second term of five (5) consecutive years with effect from April 16, 2026 upto April 15, 2031 (both days inclusive), was approved by the Members at their 02/2025-26 Extra – Ordinary General Meeting held on March 13, 2026.

2.3 Adequate notices were given to all directors of the Company, while scheduling the Meetings of the Board of Directors and committees thereof, except some meetings where consent of the directors was obtained for scheduling the meetings at a shorter notice.

2.4 Agenda and detailed notes on agenda in respect of matters in the nature of Unpublished Price Sensitive Information (UPSI), were either circulated separately. The circulations were less than seven days before the meetings of the Board and Committees thereof or were tabled at the meetings. However, the consent of the Board / committee had been obtained, as required under SS-1.

2.5 A system exists for Directors to seek and obtain additional information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.6 We note from the minutes examined that, at the meetings of the Board and its Committees held during the review period:

- i. Decisions were taken through the majority of the Board or unanimously; and
- ii. No dissenting views were expressed by any Board member on the matters discussed, which were required to be recorded as part of the minutes.

3. Compliance Mechanism

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

4. Specific Events/Actions

No major corporate event has occurred during the audit period, which has a major bearing on the Company's affairs in pursuance of applicable laws, rules, regulations, guidelines, standards etc. except for the following:



1. Approval from its Members at its Adjourned 30th Annual General Meeting held on June 24, 2025 was obtained through Special Resolution on following –
 - a) Amend paragraph 3 of the Main Objects clause of the Memorandum of Association of the Company.
 - b) Issuance of Non-Convertible Securities / Bonds on a private placement basis for a period of one year from the date of this Annual General Meeting for an amount up to ₹ 36,000 Crore (Rupees Thirty-Six Thousand Crore only) in one or more series / tranches to eligible investors in accordance with applicable laws and on such terms as the Board may determine.
 - c) Sell, assign, or securitize its present and future receivables, book debts, or loans through direct assignment, securitization, or loan participation for an aggregate amount not exceeding ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore only).
2. Appointment of M/s Khandelwal Jain & Co, Chartered Accountants, Mumbai, (Firm Registration Number 105049W), as one of the Joint Statutory Auditor of the Company, to hold the office from the conclusion of this Adjourned 30th Annual General Meeting till the conclusion of 33rd Annual General Meeting.
3. Based on the recommendation of the Nomination and Remuneration Committee, meeting held on August 18, 2025, the Board of Directors at its meeting held on August 19, 2025 and thereafter, the members of the Company at their adjourned Extra-Ordinary General Meeting held on August 29, 2025 approved the Axis Finance Employee Stock Option Plan 2025 (ESOP).
4. The Board of Directors at its meeting held on April 18, 2024 had delegated the power to the Debenture Allotment Committee to allot Unsecured and Secured Rated Listed Redeemable Non-Convertible Debentures on private placement basis from time to time, to the successful allottees. The Company through its Debenture Allotment Committee, during the period under review, has approved allotment by way of private placement in different tranches of:
 - a. Issued and allotted 3,42,550 Secured rated listed redeemable non-convertible debentures with a face value of ₹ 34,25,50,00,000/- (Rupees Three Thousand Four Hundred Twenty-Five Crore and Fifty Lakhs Only);
 - b. Issued and allotted 30,150 Unsecured rated listed redeemable non-convertible debentures with a face value of ₹ 4,50,00,00,000/- (Rupees Four Hundred and Fifty Crore Only)Non-Convertible debentures having face value of ₹ 22,00,00,00,000/- (Rupees Two Thousand Two Hundred Crore only) were redeemed during the period under review.
5. The Company issued and allotted Listed Commercial Papers with a nominal value ₹ 49,35,00,00,000/- (Rupees Four Thousand Nine Hundred and Thirty-Five Crore Only) in different tranches and redeemed Commercial Papers with a nominal value of ₹ 55,20,00,00,000 (Rupees Five Thousand Five Hundred and Twenty Crore Only).

For BNP & Associates
Company Secretaries
Firm Registration. No. P2014MH037400
PR. No: 7353/2025

sd/-

Avinash Bagul
Partner

FCS No: 5578/ COP No:19862
UDIN: F005578H000129537

Date: April 17, 2026
Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure A to the Secretarial Audit Report for the financial year ended March 31, 2026

To,
The Members,
Axis Finance Limited
Reg. Office Address: Axis House, Ground floor,
Wadia International Centre,
Worli, Mumbai - 400025

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2026 but before the issue of this Report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
Firm Registration. No. P2014MH037400
PR. No: 7353/2025

sd/-

Avinash Bagul

Partner

FCS No: 5578/ COP No:19862
UDIN: F005578H000129537

Date: April 17, 2026
Place: Mumbai

Annexure 2

Report on Corporate Governance

1. Companies Philosophy on Corporate Governance

Axis Finance Limited's ('the Company') philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value. In the commitment to practice sound governance principles, the Company is guided by its core principles viz. Transparency, Disclosures, Empowerment and Accountability, Compliances and Ethical Conduct.

The Board of Directors ('Board') fully supports and endorses the Corporate Governance practices as envisaged in the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('the Listing Regulations').

2. RBI guidelines on Corporate Governance

In order to enable NBFC's to adopt best practices and greater transparency in their operations, RBI has in its Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 (as amended from time to time) advised all applicable NBFCs to frame their internal guidelines on corporate governance with the approval of the Board of Directors. In pursuance of the same, the Company has framed the internal Guidelines on Corporate Governance which is placed on the website of the Company at <https://www.axisfinance.in/policies-and-standards/corporate-governance>.

3. Board of Directors

The Board, along with its Committee's provide leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company. The size of the Board of the Company commensurate with its size and business operations. In addition to the governance practices, the Board lays strong emphasis on transparency, accountability and integrity. At present, the Board has ten (10) Directors comprising of one (1) Managing Director & CEO, one (1) Whole-Time Director, 3 (three) Non-Executive Directors and 5 (five) Independent Directors. There are no Nominee Directors representing any institution on the Board of the Company.

Composition of the Board of the Company

Sr. No.	Name of the Director(s)	Category
1.	Amitabh Chaudhry	: Chairman, Non-Executive Director
2.	Deepak Maheshwari	: Non-Executive Director
3.	Puneet Sharma	: Non-Executive Director
4.	Babu Rao Busi*	: Independent Director
5.	K. Narasimha Murthy	: Independent Director
6.	Pallavi Kanchan	: Independent Director
7.	U B Pravin Rao	: Independent Director
8.	N. Rajashekaran	: Independent Director
9.	Sai Giridhar	: Managing Director & CEO
10.	Vishal Sharan [#]	: Whole-Time Director

*Re-appointed as an Independent Director effective April 16, 2026

[#]Appointed as Whole-Time Director effective May 29, 2025

Board Meetings and Procedures

The annual calendar for the Board / Committee meetings is fixed well in advance basis confirmation with the availability of the Directors, so as to facilitate active and consistent participation of all Directors in the Board / Committee meetings. Minimum four (4) pre-scheduled Board Meetings are held every year (once every quarter). Additional Board Meetings are convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, resolutions are passed by circulation, as permitted by law. Video conferencing facilities are provided to enable active participation by Directors who are unable to attend the meetings in person.

The Board has unrestricted access to all the Company related information. Detailed presentations along with notes to agenda are made to the Board regularly which cover operations, business performance and related details. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, are placed before the Board. The members of the Board are at liberty to bring up any matter for discussions at the Board meetings and the functioning of the Board is democratic. Members of the Senior Management team are invited to attend the Board Meetings, who provide additional inputs to the agenda items discussed by the Board.

The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company. Update(s) on matters arising from previous meetings are placed at the succeeding meeting of the Board / Committees for discussions, approvals, noting, etc.

Conduct of meetings

The meetings of the Board / Committees during FY 2026, were conducted in accordance with the provisions of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

During FY 2026, nine (9) meetings of the Board were held on April 17, 2025, July 15, 2025, August 19, 2025, September 11, 2025, October 11, 2025, November 06, 2025, December 18, 2025 and January 14, 2026. During FY 2026, the Annual Board Strategy meeting was held from February 20, 2026 to February 21, 2026.

The gap between two Board meetings did not exceed the prescribed limit of One Hundred Twenty (120) days. The requisite quorum was present throughout and at all the meetings of the Board held during FY 2026.

All the statutory recommendations made by the Committees during the FY 2026 have been duly considered and approved by the Board.

Composition, date of appointment, Director Identification Number (DIN), category of Directors, attendance of each director at the meeting of the Board of Directors and the last annual general meeting, number of other Directorship and membership / chairperson of Committees, name of other listed companies wherein Director holds directorship and Core skills/expertise/competencies held by Director



Sr. No.	Name of the Director	Date of appointment	DIN	Category	No. of Board Meeting entitled to attend and attended during the year		No. of Directorship (including this Company)		No. of Committee positions held in other Companies (including this Company)^		Attendance at the last AGM		Directorship in other listed entity (Category of Directorship)	Core skills / expertise / competencies
					Entitled to attend	Attended	Chairperson	Directorship	Chairperson	Member	17-06-2025	24-06-2025 (Adjourned)		
1	Amitabh Chaudhry	17-01-2019	00531120	Chairman, Non-Executive Director	9	9	3	4	Nil	Nil	Yes	Yes	Axis Bank Limited (Executive Director)	Business Management and Strategy, Banking, Financial Services, Financial Accounting, Treasury, Information Technology, Cyber Security, Risk Management
2	Deepak Maheshwari	26-06-2019	08163253	Non-Executive Director	9	8	Nil	3	Nil	3	Yes	No	CSB Bank Ltd.*	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Audit, Assurance and Controls, Risk Management, Sustainability and ESG
3	Baburao Busi*	16-04-2021	00425793	Independent Director	9	9	Nil	3	1	2	Yes	Yes	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Audit, Assurance and Controls, Information Technology, Cyber Security, Risk Management
4	U B Pravin Rao	14-04-2022	06782450	Independent Director	9	7	Nil	6	1	7	Yes	No	<ul style="list-style-type: none"> Cohance LifeSciences Limited Zensar Technologies Limited% Indegene Limited% Computer Age Management Services Limited% 	Business Management and Strategy, Financial Accounting, Information Technology, Cyber Security, Risk Management
5	Pallavi Kanchan	12-01-2023	07545615	Independent Director	9	9	Nil	5	Nil	2	Yes	Yes	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Governance and Compliance, Audit, Assurance and Controls, Risk Management, Customer Service and Customer Relations, Sustainability and ESG
6	K. Narasimha Murthy	12-01-2023	00023046	Independent Director	9	9	Nil	7	4	6	Yes	No	<ul style="list-style-type: none"> Raymond Limited% Raymond Lifestyle Limited% Raymond Realty Limited% 	Business Management and Strategy, Banking, Financial Services, Financial Accounting, Treasury, Assurance and Controls, Information Technology, Cyber Security, Risk Management, Sustainability and ESG Customer Service and Investor Relations
7	N. Rajashekaran	26-06-2024	02313710	Independent Director	9	9	Nil	3	Nil	2	Yes	No	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Governance and Compliance, Audit, Assurance and Controls, Information Technology, Cyber Security, Risk Management, Sustainability and ESG Customer Service and Investor Relations

Sr. No.	Name of the Director	Date of appointment	DIN	Category	No. of Board Meeting entitled to attend and attended during the year		No. of Directorship (including this Company)		No. of Committee positions held in other Companies (including this Company)^		Attendance at the last AGM	Directorship in other listed entity (Category of Directorship)	Core skills / expertise / competencies	
					Entitled to attend	Attended	Chairperson	Directorship	Chairperson	Member				17-06-2025
8	Puneet Sharma	26-06-2024	06964749	Non-Executive Director	9	8	Nil	2	Nil	2	Yes	No	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Treasury, Audit, Assurance and Internal Controls, Risk Management
9	Sai Giridhar	01-01-2025	10757486	Managing Director & CEO	9	9	Nil	1	Nil	1	Yes	Yes	Nil	Business Management and Strategy, Banking, Financial Accounting, Governance and Compliance, Information Technology, Cyber Security, Risk Management, Customer Service and Investor Relations
10	Vishal Sharan#	29-05-2025	11056592	Whole-Time Director	8	8	Nil	1	Nil	Nil	Yes	Yes	Nil	Business Management and Strategy, Banking, Financial Services, Capital Market, Financial Accounting, Governance and Compliance, Risk Management and Customer Service and Investor Relations

#-Appointed effective May 29, 2025

*-Re-appointed as an Independent Director effective April 16, 2026

^~ Pertains to memberships / chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies as per Regulation 62O(1)(b) of the Listing Regulations

%-Independent, Non-Executive Director



Details of change in composition of the Board during the FY 2026 and FY 2025

Sr. No.	Name of the Director	Category	FY 2026		FY 2025	
			Nature of Change	Effective Date	Nature of Change	Effective Date
1.	N. Rajashekaran	Independent Director	-	-	Appointment	June 26, 2024
2.	Puneet Sharma	Non-Executive Director	-	-	Appointment	June 26, 2024
3.	Biju Pillai	Whole-Time Director (Deputy Managing Director)	-	-	Cessation	September 06, 2024
4.	Bipin Saraf	Managing Director & CEO	-	-	Cessation	December 31, 2024
5.	Sai Giridhar	Managing Director & CEO	-	-	Appointment	January 01, 2025
6.	Vishal Sharan	Whole-Time Director	Appointment	May 29, 2025	-	-

Baburao Busi has been re-appointed as Non-Executive, Independent Director of the Company, effective April 16, 2026

Inter-se relationships among Directors

None of the Directors of the Company are inter-se related to each other.

Shareholding and Convertible Instruments of the Company held by Directors

The Directors of the Company do not hold any shares or any convertible instruments of the Company.

Familiarisation and Training for the Board

The Company has formulated and adopted a policy on training for the Board of Directors of the Company (the 'Policy') which aims at providing timely and wholesome orientation and training to its Directors to ensure that they are well versed with the business, regulatory and operational aspects of banking. This enhances the knowledge and effectiveness of the Directors, both individually and collectively, as members of the Board / Committees.

The said Policy provides guidelines with respect to:

- a) Induction programme for new Directors;
- b) Familiarisation programme and Continuous Education and Learning Programme ("CELP") for Directors.

During FY 2026, the Board also reviewed the said policy, in line with the extant laws.

The details of the Familiarisation Programme imparted during the FY under review has been uploaded on the website of the Company and can be accessed at <https://www.axisfinance.in/docs/default-source/investors-corner/disclosure-under-regulation-62/details-of-familiarization-programmes-imparted-to-independent-directors.pdf>.

Periodic presentations were made at the Board meetings apprising the Board members about the finer aspects of the Company's businesses, the challenges posed and an overview of future business plans.

Role of Independent Directors

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its stakeholders. The wide knowledge in their respective fields of expertise and best-in-class board room practices helps foster varied, unbiased, independent and experienced perspective.

The Company benefits immensely from their inputs in achieving its strategic direction. Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Customer Grievance Redressal Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Stakeholders Relationship Committee, Fund Raising Committee and Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds of the Board are chaired by Independent Directors.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in The Companies Act, 2013 ('the Act') and the Listing Regulations and are independent of the management.

Resignation of Independent Director

None of the Independent Directors of the Company resigned during the FY 2026.

4. Committees of the Board

The Board functions through various Committees, constituted to deal with specific matters as mandated under the extant laws. The charter of the Board Committees is subject to review by the Board, pursuant to changes in the extant laws or to meet the business requirements of the Company.

As on March 31, 2026, the Board has 11 Committees, details and composition of which are as follows:

Sr. No.	Name of the Committee
1.	Audit Committee of the Board ('ACB')
2.	Risk Management Committee of the Board ('RMC')
3.	Nomination and Remuneration Committee of the Board ('NRC')
4.	Customer Grievance Redressal Committee of the Board ('CGRC')
5.	Stakeholders Relationship Committee of the Board ('SRC')
6.	Corporate Social Responsibility Committee of the Board ('CSR')
7.	IT Strategy Committee of the Board ('ITSC')
8.	Committee of Directors of the Board ('COD')
9.	Review Committee of the Board ('RC')
10.	Fund Raising Committee of the Board ('FRC')
11.	Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds of the Board ('SCBMF')

Out of eleven (11) Committees, nine (9) Committees are chaired by Independent Directors and two (2) Committees i.e. RC and COD are chaired by NED / ED as per the extant norms

Brief description of charter of the Committees, their composition and attendance of the members at the meetings held during FY 2026, are detailed as under



a. Audit Committee

Composition and Attendance

The ACB comprises of six (6) Directors out of which four are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	K. Narasimha Murthy	Chairperson	13/13	January 12, 2023
2.	Babu Rao Busi	Member	13/13	July 19, 2021
3.	Deepak Maheshwari	Member	12/13	April 25, 2020
4.	Pallavi Kanchan	Member	13/13	January 12, 2023
5.	N. Rajashekar	Member	13/13	July 22, 2024
6.	Puneet Sharma	Member	13/13	July 22, 2024

Quorum

Three (3) members or one-third (1/3rd) of the total strength of the ACB, whichever is higher, with presence of at-least two (2) Independent Directors.

Brief description of the Charter

- i. Providing direction and overseeing the operations of the audit function
- ii. Reviewing the RBI inspection reports and other audit reports and the status of compliance with the same
- iii. Recommending auditors to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Company
- iv. Reviewing with the management, performance and independence of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process
- v. Approving payments to statutory auditors for any other services rendered by the statutory auditors
- vi. Reviewing with the management, the quarterly, half yearly and yearly financial statements before submission to the Board for approval.
- vii. Reviewing the concurrent audit system of the Company (including the appointment of concurrent auditors)
- viii. Reviewing the performance of Information Systems Audit and the critical issues highlighted during the Information Systems Audit and provide appropriate guidance to the Company's Management.
- ix. Review and approve the appointment and removal of the Chief Compliance Officer ('CCO'), Chief Audit Executive ('CAE') and / or any change in the incumbency of CCO, CAE of the Company, along with the reasons for such change.

The CCO and CAE of the Company meets the ACB on one-to-one basis, without the presence of the senior management, on a quarterly basis. The Committee also meets the credit rating agencies at least once in a year, to discuss issues including related party transactions, internal financial control and any items, which have a bearing on rating of the instruments issued by the Company.

The ACB discusses the key highlights of the quarterly and annual financial results of the Company and internal financial controls with the Joint Statutory Auditors, before recommending the same to the Board, for their approval. Joint Statutory Auditors have attended the meetings of the ACB held during FY 2026, for review of the quarterly / half yearly / annual financial results of the Company.

The ACB also meets the Joint Statutory Auditors, without the presence of any executives of the Company.

Meetings

During the FY 2026, thirteen (13) meetings of the Committee were held on April 17, 2025, June 06, 2025, June 16, 2025, July 15, 2025, July 24, 2025, September 23, 2025, October 10, 2025, November 06, 2025, November 26, 2025 December 18, 2025, January 13, 2026, February 20, 2026 and March 25, 2026. The intervening gap between two (2) consecutive ACB meetings was well within the maximum gap allowed of One Hundred Twenty (120) days.

b. Risk Management Committee

Composition and Attendance

The RMC comprises of four (4) members out of which 2 (two) are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	N. Rajashekar	Chairperson	6/6	July 22, 2024
2.	Deepak Maheshwari	Member	6/6	June 26, 2019
3.	U B Pravin Rao	Member	6/6	July 22, 2024
4.	Sai Giridhar	Member	6/6	January 01, 2025

Quorum

Three (3) members or one-third (1/3rd) of the members of the Committee whichever is higher, including at-least one (1) member as Non-Executive Director in attendance.

Brief description of the Charter

- a) Reviewing the risk management framework formulated and adopted by the Company taking into account the nature, size and complexity of the businesses undertaken by the Company and recommending the same for the approval of the Company
- b) Periodically reviewing and ensuring that appropriate systems of controls with regard to risk management systems are in place and affirm the same to the Board
- c) Review the appointment, removal and terms of appointment of the Chief Risk Officer of the Company
- d) Reviewing the effectiveness of the Company's internal control and risk management framework, in relation to its core strategic objectives, and to seek such assurance as may be appropriate
- e) Assisting the management of the Company by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and key areas of the Company's focus
- f) Formulating a detailed risk management policy
- g) Reviewing the Asset Liability Management (ALM) of the Company on a regular basis
- h) Reviewing the Stress Testing Results
- i) Reviewing model risk of the Company

The CRO is independent of the business lines and is actively involved in key decision-making processes that impact the risk profile of the Company. The CRO also meets the RMC without the presence of executives of the Company. The Company has a policy defining the roles and responsibilities of the CRO, in line with the guidelines issued by the RBI.



Meetings

During the FY 2026, six (6) meetings of the Committee were held on April 01, 2025, June 17, 2025 and June 25, 2025 (Adjourned), September 24, 2025, October 10, 2025, December 19, 2025 and March 26, 2026. The intervening gap between two (2) consecutive RMC meetings was well within the maximum gap allowed of Two Hundred Ten (210) days.

c. Nomination & Remuneration Committee

Composition and Attendance

The NRC comprises of 4 (four) members and all are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	U B Pravin Rao	Chairperson	8/8	April 14, 2022
2.	Babu Rao Busi	Member	8/8	July 19, 2021
3.	K. Narasimha Murthy	Member	8/8	April 13, 2023
4.	Pallavi Kanchan	Member	8/8	January 12, 2023

Quorum

Three (3) members or one-third (1/3rd) of the members of the Committee whichever is higher, including at least one (1) Independent Director and one shall be a member of the Risk Management Committee.

Brief description of the Charter

- i. Reviewing the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the Policy on Board Diversity.
- ii. Identifying the persons who are qualified to become Directors of the Company and to consider proposal relating to the appointment / re-appointment / removal of the Chairman, the Managing Director & CEO, other Whole-Time Directors of the Company, Non-Executive Directors including Independent Directors and the terms and conditions relating to their appointment / re-appointment, including remuneration, in accordance with the criteria laid down and recommend the same for the approval of the Board.
- iii. Formulation of the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Company, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.
- iv. Formulating the criteria for determining qualifications, positive attributes and independence of a director.
- v. Reviewing and recommending to the Board, the overall remuneration framework and associated policies of the Company, including the Remuneration Policy of the Company, Non-Executive Directors, Managing Director & CEO, Whole-Time Directors and other employees of the Company, taking into account the norms prescribed under the Act, rules made thereunder, the Listing Regulations and RBI Master Directions as amended from time to time.

Meetings

During the FY 2026, Eight (8) meetings of the Committee were held on April 14, 2025 and April 15, 2025 (Adjourned), June 18, 2025, August 18, 2025, September 11, 2025, October 09, 2025, January 23, 2026, February 20, 2026 and March 26, 2026.

d. Customer Grievance Redressal Committee

Composition and Attendance

The CGRC comprises of five (5) members out of which four (4) are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	Baburao Busi	Chairperson	5/5	January 12, 2023
2.	U B Pravin Rao	Member	5/5	January 12, 2023
3.	K. Narasimha Murthy	Member	5/5	January 12, 2023
4.	N. Rajashekar	Member	5/5	July 22, 2024
5.	Sai Giridhar	Member	5/5	January 01, 2025

Quorum

Two (2) members or one-third (1/3rd) of the members of the Committee, out of which at least one (1) member shall be an Independent Director of the Company.

Brief description of the Charter

- a. Providing guidance in improving overall standards of customer service in the Company
- b. Reviewing the customer complaints (including but not limited to mis-selling in respect of the services / products offered by the Company), assess the manner in which such complaints were resolved and its effectiveness in making the grievance redressal mechanism robust
- c. Reviewing cases of disagreement with the decision of the Internal Ombudsman, if any
- d. Reviewing Customer Awareness initiatives

Meetings

During the FY 2026, five (5) meetings of the Committee were held on April 01, 2025, June 16, 2025, September 23, 2025, December 18, 2025 and March 26, 2026. The Internal Ombudsman have attended all the CGRC meetings held during the FY 2026.

e. Stakeholders Relationship Committee

Composition and Attendance

The SRC comprises of three (3) members of which one (1) is an Independent Director.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	Baburao Busi	Chairperson	1/1	July 22, 2024
2.	Deepak Maheshwari	Member	1/1	July 22, 2024
3.	Sai Giridhar	Member	1/1	January 01, 2025

Quorum

Two (2) members or one-third (1/3rd) of the members of the Committee whichever is higher.



Brief description of the Charter

- i. Consider and resolve the grievances of the security holders of the Company
- ii. Consider and review various aspects of interest of the security holders of the Company
- iii. Review of complaints received from the investors and the status of its redressal
- iv. Formulation of policies and procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from stakeholders and security holders from time to time
- v. Resolving grievances of debenture holders related to creation of charge, payment of interest / principal, maintenance of security cover and any other covenants
- vi. Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure their timely and speedy resolution, in consultation with the Company Secretary and Compliance officer and RTA of the Company

Meetings

During the FY 2026, one (1) meeting of the Committee was held on April 14, 2025.

Details of Compliance Officer of the Company

Rajneesh Kumar, Company Secretary of the Company is the Compliance officer under the Listing Regulations.

Details of Complaints received from the Debenture holders (only Non-Convertible Debentures issued on Private Placement basis are listed on BSE) and redressed during the FY 2026 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
	NIL		

f. Committee of Directors

Composition and Attendance

The COD comprises of 3 (three) members of which 2 (two) are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	Deepak Maheshwari	Chairperson	14/14	June 26, 2019
2.	Babu Rao Busi	Member	14/14	July 19, 2021
3.	Pallavi Kanchan	Member	14/14	July 22, 2024

Quorum

Two (2) members or one-third (1/3rd) of the members of the Committee; whichever is higher, with presence of at-least one (1) Independent Director.

Brief description of the Charter

- i. Noting, ratifying the loans sanctioned by Committee of Executives (COE), providing approvals for loans as per the limits stipulated in the Corporate Credit Policy, of the Company, as amended, from time to time, and to discuss strategic issues in relation to credit policy and review the quality of the credit portfolio of the Company.
- ii. Reviewing, considering, ratifying or approving the loans sanctioned by the Committee of Executives.
- iii. Reviewing the investment strategy, investments made and approve investment related proposals
- iv. Reviewing, considering and approving the borrowings / investments made by the Company in the best interest of the Company
- v. Reviewing and approving the proposals relating to the Company's business / operations covering all its departments and business segments.

Meetings

During the FY 2026, fourteen (14) meetings of the Committee were held on April 16, 2025, May 21, 2025, June 18, 2025, July 23, 2025, August 22, 2025, September 20, 2025, September 27, 2025, November 13, 2025, December 04, 2025, December 17, 2025, January 23, 2026, February 12, 2026, March 13, 2026 and March 27, 2026.

g. Corporate Social Responsibility Committee

Composition and Attendance

The CSR comprises of three (3) members of which two (2) are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	Pallavi Kanchan	Chairperson	3/3	January 12, 2023
2.	U B Pravin Rao	Member	3/3	July 22, 2024
3.	Sai Giridhar	Member	3/3	January 01, 2025

Quorum

Two (2) members or one-third (1/3rd) of the members of the Committee; whichever is higher.

Brief description of the Charter

- i. Formulating and recommending to the Board, the CSR Policy of the Company, in terms of the relevant provisions of the Act and the rules made thereunder
- ii. Reviewing and approving, the CSR projects / programmes to be undertaken by the Company either directly or through Axis Bank Foundation (ABF) or through implementation partners as deemed suitable, during the fiscal year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR policy of the Company
- iii. Reviewing and approving the funds to be allocated for the CSR projects / programmes to be undertaken by the Company during the fiscal year, in terms of the CSR policy of the Company, subject to compliance with section 135(5) of the Act.
- iv. Reviewing implementation of the CSR policy and annual action plan



Meetings

During the FY 2026, three (3) meetings of the Committee were held on April 16, 2025, June 17, 2025 and October 10, 2025.

h. Information Technology (IT) Strategy Committee

Composition and Attendance

The ITC comprises of four (4) members of which three (3) members are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	U.B. Pravin Rao	Chairperson	6/6	April 14, 2022
2.	K. Narasimha Murthy	Member	6/6	January 12, 2023
3.	N. Rajashekar	Member	6/6	July 22, 2024
4.	Sai Giridhar	Member	*5/6	January 01, 2025

*LOA was granted for the adjourned meeting of the Committee held on April 14, 2025.

Quorum

Three (3) members or one-third (1/3rd) of the members of the Committee; whichever is higher.

Brief description of the Charter

- i. Ensuring that management has an effective IT strategic planning process in place
- ii. Ensuring that the IT organizational structure serves the business requirements of the Company and its direction
- iii. Exercising oversight over implementation of processes and practices so as to ensure that IT delivers value to the businesses of the Company
- iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources
- v. Assessing the exposure to IT risks and its controls and evaluating effectiveness of management in monitoring of such IT risks
- vi. Reporting of IT and Cyber Security incidents / frauds

Meetings

During the FY 2026, six (6) meetings of the Committee were held on April 02, 2025 and April 14, 2025 (Adjourned), June 17, 2025, September 24, 2025, October 10, 2025, December 19, 2025 and March 27, 2026.

i. Review Committee

Composition and Attendance

The RC comprises of three (3) members of which one (1) is an Independent Director.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	Sai Giridhar	Chairperson	*2/2	October 12, 2024
2.	K. Narasimha Murthy	Member	2/2	October 12, 2024
3.	Deepak Maheshwari	Member	2/2	October 12, 2024

*LOA was granted for the original meeting of the Committee held on February 02, 2026.

Quorum

Two (2) members

Brief description of the Charter

- i. Review and confirm the order(s) passed by the Identification Committee identifying a borrower as a wilful defaulter
- ii. Review of accounts classified as wilful defaulter

Meetings

During the FY 2026, two (2) meetings of the Committee were held on February 02, 2026, February 10, 2026 (Adjourned) and March 31, 2026.

j. Fund Raising Committee

Composition and Attendance

The FRC comprises of four (4) members of which three (3) are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	N. Rajashekar	Chairperson	5/5	April 17, 2025
2.	U B Pravin Rao	Member	*4/5	April 17, 2025
3.	Babu Rao Busi	Member	5/5	April 17, 2025
4.	Sai Giridhar	Member	*4/5	April 17, 2025

*LOA was granted to the members as requested by them

Quorum

Three (3) members or one-third (1/3rd) of the members of the Committee, of which at least one (1) member shall be an Independent Director of the Company.

Brief Description of the Charter

- i. To evaluate proposals relating to fund raise and merger opportunities and if thought fit, to grant approval for the same
- ii. To review the reports prepared by internal teams or external advisors, if appointed
- iii. To evaluate offers received from prospective investors, to evaluate the transaction documents and to finalize and recommend a fund-raising option for the Board
- iv. authorize and approve the incurring of any expenditure and payment of fees, commission, remuneration and expenses in connection with the proposed fund-raising
- v. Strategic divestments transactions to be reported to the Board of Directors at its subsequent meeting for its information and noting
- vi. Empowering to add / delete / modify the officials of the Company for executing the documents, and agreements as it may be deemed necessary

Meetings

During the FY 2026, five (5) meetings of the Committee were held on July 14, 2025, July 23, 2025, July 28, 2025, August 20, 2025 and October 10, 2025.



k. Special Committee of the Board for Monitoring and Follow-Up of Cases of Frauds

Composition and Attendance

The SCBMF comprises of three (3) members of which two (2) are Independent Directors.

Sr. No.	Name of the Members	Position	Attendance	Member of Committee since
1.	Pallavi Kanchan	Chairperson	1/1	February 21, 2026
2.	Babu Rao Busi	Member	1/1	February 21, 2026
3.	Sai Giridhar	Member	1/1	February 21, 2026

Quorum

Two (2) members or one-third (1/3rd) of the members of the Committee; whichever is higher.

Brief description of the Charter

- i. Overseeing the effectiveness of the fraud risk management in the NBFC, including fraud monitoring and fraud investigations and make suggestions for improvement
- ii. Reviewing and monitoring cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimizing the incidence of frauds.

Meetings

During the FY 2026, one (1) meeting of the Committee was held on March 27, 2026.

Separate meeting of Independent Directors

During FY 2026, the Independent Directors of the Company met on April 02, 2025 without the presence of Executive Directors and other members of management. During the meeting, the Independent Directors discussed the report of the Board performance evaluation exercise for FY 2026 and evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the management and the Board, in accordance with Para VII to Schedule IV of the Act. The Chairperson of the meeting of the Independent Directors presented views of the Independent Directors to the Chairman of the Company.

Board Performance Evaluation

The Company believes that the annual performance evaluation of the Board plays a vital role in enhancing the Board's effectiveness. The performance evaluation of Board, its Committees, Chairperson and individual Directors was done in compliance with the provisions of the Act and the Listing Regulations.

The NRC finalized the parameters, methodology and mechanism for conducting the Board performance evaluation for FY 2026. The questionnaire related to Board evaluation was reviewed and finalised and then structured online questionnaires were deployed for the said evaluation. To enhance objectivity and ensure confidentiality an independent external agency was engaged to conduct the performance evaluation through an online tool thereby ensuring a seamless execution and facilitating a candid participation of every Director.

The independent external agency also had one-on one discussion with all the Directors with respect to their response to the questionnaire.

Board Evaluation

The Board was evaluated on parameters such as governance, strategic planning, audit and compliance, identification and management of risks, human resource, Board's relationship with executive management, customer grievance / protection, financial inclusion, Board functioning, induction and professional development and flow of information.

Committee Evaluation

All the eleven (11) Board Committees were individually evaluated on a common questionnaire as well as tailored depending upon the mandate of each Committee. The Committees were evaluated based on criteria such as composition and quality (qualifications, skills, experience and knowledge of members), discharge of responsibilities as mentioned in the terms of reference of the Committee, planning of meetings to ensure adequate time is provided for significant and emerging items, independent functioning of Committee, comprehensiveness of agenda papers and minutes, quality of deliberations and discussion at meetings, contribution of members, action taken reports, communication between Committee members and management, directions and instructions provided by the Committee resulting in major improvements in the Company's functioning, etc.

Chairperson Evaluation

Chairperson performance evaluation was based on parameters covering open-mindedness, decisiveness, professionalism, courtesy extended to other members and ability to steer the meetings and discussions, impartiality, encouraging dissent, facilitating consensus building, knowledge of the industry complexity and surfacing issues of strategic importance.

Individual Directors

Individual Director's effectiveness was based on parameters such as knowledge and expertise, active participation and contribution during meetings, regularity and punctuality in attending meetings, preparation for meetings and keeping oneself abreast of matters, collaborative relationship with other Directors, leadership, openness to others' input and acceptance of constructive feedback, uninhibited participation in meetings and willingness to bring forth their insights and integrity.

Outcome of Evaluation

The outcome of the said performance evaluation was reviewed by the Independent Directors at its meeting held on April 15, 2026 and NRC at its meeting held on April 16, 2026. The Board also reviewed the performance evaluation report, outcome and action areas at its meeting held on April 17, 2026.

5. Senior Management

As on March 31, 2026, the Company had following Senior Management Personnel as defined under the Listing Regulations:

Sr. No.	Name of the Senior Management Personnel	Designation
1.	Deepti Dayal	Head, Corporate Credit (Wholesale & MSME)
2.	Balaji Natarajan	Chief Operating Officer
3.	Dominic Oliveira	Chief Audit Executive
4.	Navalkumar Lad	Chief Technology Officer
5.	Kishore Babu	Chief Risk Officer
6.	Radhika Gordhandas	Head, Human Resources
7.	Bal Krishna Thakur	Chief Compliance Officer
8.	Shyam Reddipalli	Chief Business Officer
9.	Pradeep Kumar	Head, Retail Credit



Changes in Senior Management

During FY 2026, following were the changes in the senior management personnel of the Company:

Sr. No.	Name of the Senior Management Personnel	Designation	Date of Change	Type of Change
1.	Vishal Sharan	Whole-Time Director	May 29, 2025	Appointment
2.	Shyam Reddipalli	Chief Business Officer, Retail Finance	July 31, 2025	Appointment
3.	Pradeep Kumar	Head, Retail Credit	July 15, 2025	Appointment

6. Remuneration of Directors

A. Criteria for sitting fees / commission / remuneration paid to Non-Executive Directors

The criteria for appointment of Directors and the remuneration is available on the website of the Company at <https://www.axisfinance.in/docs/default-source/policies-and-standards/codes---policies/remuneration-policy.pdf>.

B. Executive Directors

The details of remuneration paid to Managing Director & CEO and Whole-Time Director during FY 2026, is as under:

Sr. No.	Particulars	Sai Giridhar (Managing Director & CEO)	*Vishal Sharan (Whole-Time Director)
1.	Basic Salary	84,00,000	49,13,070
2.	Performance bonus paid in Fiscal 2026	45,00,000	-
3.	Perquisites & Allowances	1,81,62,276	1,03,18,676
	Total	3,10,62,276	1,52,31,746
	Gratuity	As per Policy of the Company	As per Policy of the Company
	Provident Fund	12% of Basic	12% of Basic

*-w.e.f. May 29, 2025

1. Managing Director & CEO and Whole-Time Director were granted 11,83,432 and 5,91,716 stock options respectively for FY 2026.
2. The Company as a policy, does not pay any severance fees to its Executive Directors. The tenure of the office of Executive Directors is for a period of three (3) years from the date of their respective appointment / re-appointment, as approved by the applicable authorities and the same can be terminated by either party by giving three (3) months' notice in writing.
3. The Executive Directors of the Company are not entitled to receive any sitting fees from the Company for attending meetings of the Board and its Committees.
4. The variable component of remuneration (performance linked incentive) for Executive Directors are determined on the basis of several criteria including their individual performance as measured by achievement of their respective key result areas, strategic initiatives taken and being implemented, their respective roles in the organization, fulfilment of their responsibilities and performance of the Company. This is in accordance with the Company's Remuneration Policy of the Company.

C. Independent / Nominee Directors

The remuneration framework for the Independent has been meticulously structured to ensure compliance with regulatory standards and to recognize the vital contribution of these Directors towards the governance and strategic direction of the Company.

All the Directors of the Company except for Amitabh Chaudhry and Puneet Sharma receive sitting fees and commission.

Sitting Fees Structure

All the Non-Executive Independent Directors of the Company were paid sitting fees of ₹ 1,00,000/- for every meeting of the Board, ACB, COD and RMC meetings attended by them. In respect of meetings of other Committees of the Board, they were paid sitting fees of ₹ 50,000/- for every meeting attended by them. Further, all the Independent Directors of the Company were paid sitting fees of ₹ 1,00,000/- for attending meeting of the Independent Directors.

Commission

During the year under review, the Company acknowledging the crucial role played by Non-Executive Directors in bringing objectivity into the functioning of the Board (including the committees of the Board) and improving its effectiveness, approved to pay remuneration with effect from FY 2025 by way of annual commission to Non-Executive Directors including Independent Directors (excluding those who are currently in employment with Axis Bank Limited or in any of the group companies) for an amount of ₹ 10,00,000/- (Rupees Ten lakh only) such that the aggregate commission to be capped to 1% of the net profit of the Company in the preceding year and in case the net profits are lower in any year, then the fixed commission shall be adjusted to the capped limit. Any Non-Executive Director being appointed during the financial year shall be paid on a pro-rata basis.

Reimbursements and other Entitlements

All Directors are eligible for reimbursement of expenses incurred while performing their duties. The Company does not grant stock options to its Independent Directors.

Pecuniary relationship / transactions with the Non-Executive Director

During the FY 2026, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company (except transactions in the ordinary course of business and on arm's length basis) during FY 2026.

The details of the remuneration paid to Independent Directors and Non-Executive Director during FY 2026, are as under:

Sr. No.	Name of the Directors	Designation	Sitting Fees (in ₹)	Commission (in ₹)
1.	Deepak Maheshwari	Non-Executive Director	38,00,000	10,00,000
2.	U B Pravin Rao	Independent Director	28,00,000	10,00,000
3.	BabuRao Busi	Independent Director	47,00,000	10,00,000
4.	K. Narasimha Murthy	Independent Director	34,00,000	10,00,000
5.	Pallavi Kanchan	Independent Director	43,50,000	10,00,000
6.	N. Rajashekar	Independent Director	34,00,000	10,00,000

During the FY 2026, the Company did not advance any loans to any of its directors and to firms / companies in which Directors are interested.

7. General Body Meetings

Annual General Meetings

Sr. No.	Financial Year	Date	Time and Venue	Special Resolutions passed
1.	FY 2023	June 6, 2023	Time: 09:00 a.m. Venue: Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025	<ul style="list-style-type: none"> a. Increase in borrowing limits of the Company up to ₹ 45,000 Crore b. Increase in limits for creation of charge on the assets of the Company up to an amount of ₹ 45,000 Crore c. Issue of debentures / bonds on a private placement basis up to ₹ 24,000 Crore d. Sell, assignment, securitization under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore
2.	FY 2024	June 19, 2024	Time: 09:00 a.m. Venue: Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025	<ul style="list-style-type: none"> a. Increase in borrowing limits of the Company up to ₹ 70,000 Crore b. Increase in limits for Creation of charge on the assets of the Company up to an amount of ₹ 70,000 Crore c. Issue of Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore d. Sell, assignment, securitization under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore
3.	FY 2025	June 24, 2025	Time: 09:00 a.m. Venue: Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025	<ul style="list-style-type: none"> a. Issuance of Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore b. Sell, assign, securitize under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore d. Amendment to the Memorandum of Association of the Company

During the year under review, no postal ballot exercise was conducted.

i. Extra-Ordinary General Meeting

Financial Year	Date	Time and Venue	Special Resolutions passed
2025-26	August 29, 2025	Time: 11:00 a.m. Venue: Through Video Conferencing / Other Audio- Visual Means	a. Adoption of Axis Finance Employee Stock Option Plan 2025
	March 13, 2026	Time: 11:00 a.m. Venue: Through Video Conferencing / Other Audio-Visual Means	a. Re-appointment of Baburao Busi (DIN: 00425793) as an Independent (Non-Executive) Director of the Company

8. Means of Communication

The Company have established robust procedures to disseminate relevant information in a planned manner to our shareholders, debenture holders, employees and the society at large. The details of the means of communication with shareholders / debenture holders / other stakeholders are given below:

Publication of Quarterly Results

Quarterly, Half-yearly and Annual financial results / statements of the Company are sent to the Stock Exchanges where the securities of the Company are listed i.e. BSE Limited and published in The Financial Express, leading English newspaper having nationwide circulation. Simultaneously, they are also available on the Company's website and can be accessed at <https://www.axisfinance.in/investors-corner/stakeholders-information/financials>.

Website

The Company's website, www.axisfinance.in contains a separate dedicated section 'Investors Corner' where all the information is available.

Annual Report

The Annual Report containing, *inter-alia*, audited financial statements, Board's Report, Auditors' Report, the Management's Discussion and Analysis (MD&A) Report and other important information is circulated to the Members and others entitled thereto. The Company's Annual Report is also available in a downloadable form on the Company's website i.e. <https://www.axisfinance.in/investors-corner/stakeholders-information/annual-report>.

9. General Shareholder Information

Day / Date / Time	Thursday, June 18, 2026, 09:00 a.m.
Venue	Axis House, P.B. Marg, Worli, Mumbai-400 025
Financial Year	April 01, 2025 - March 31, 2026
Dividend Payment Date	Not Applicable
Listing on Stock Exchange(s)	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra Website: www.bseindia.com

None of the businesses proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

The Company has issued non-convertible securities. The Company's securities have not been suspended from trading on the said stock exchanges or by any regulatory or statutory authority.

Listing Fee

The Company has paid annual listing fees for FY 2026 to the stock exchange.

Contact Information

Sr. No.	Particulars	Details
1.	Registrar to an Issue and Share Transfer Agent	
a.	Share Transfer Agent KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (Equity Shares)	Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Tel: 040-68301881 E-mail ID: unlservices@kfintech.com
b.	Registrar & Transfer Agent MUFGE Intime India Private Limited (erstwhile Link Intime India Private Limited) (Non-Convertible Debentures)	C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 Tel: +91 22 49186000 Email: debtca@in.mpms.mufg.com
2.	Debenture Trustee Catalyst Trusteeship Limited	Unit No-901, 9 th Floor, Tower - B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013 Tel: +91-22 4922 0555 Fax: +91-22 4922 0505 Email: dt@ctltrustee.com Website: www.catalysttrustee.com

Share Transfer System

All the shares are held in electronic form and the transfers are processed by National Securities Depository Limited (NSDL).



Distribution of shareholding as on March 31, 2026

Sr. No	Number of Shares held	% of holding	Face value of shares (in ₹)	Total value of shares
1.	69,35,70,474	99.999991	10	693,57,04,740
2.	21	0.000003	10	210
3.	11	0.000002	10	110
4.	11	0.000002	10	110
5.	11	0.000002	10	110
6.	10	0.000001	10	100
7.	1	0.000000	10	10
Total	69,35,70,539	100	-	693,57,05,390

The Company does not have any preference shareholding during the period under review.

Dematerialization of shares and liquidity

All the Equity shares of the Company are in dematerialized form as on March 31, 2026. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE891K01013.

Outstanding Global Depository Receipts ('GDR') or American Depository Receipts ('ADR') or Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the FY under review and the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

Plant locations

Not Applicable

Address for correspondence

Rajneesh Kumar

Company Secretary

Axis House, Ground Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai, Maharashtra, India, 400025

Email: corporate.secretarial@axisfinance.in

Website: www.axisfinance.in

Tel: 22 6226 0117

Credit Ratings

Details pertaining to Credit Ratings obtained by the Company are included in the Directors' Report under the Credit Ratings section and is also available on the website at <https://www.axisfinance.in/investors-corner/stakeholders-information/credit-rating>.

Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund

During FY 2026, no amount was due for transfer to Investor Education and Protection Fund.

10. Other Disclosures

- a. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

None

- b. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or Reserve Bank of India or any statutory authority or regulator or the board on any matter related to capital markets, during the last three (3) years**

None.

During FY 2026, no penalties or strictures were imposed on the Company by the stock exchange or Reserve Bank of India or any other statutory authority or regulator or the board on any matter related to capital markets..

- c. **Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee**

The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.

- d. **Compliance with governance norms**

The Company has complied with all the mandatory requirements, as prescribed under the Listing Regulations relating to corporate governance. The Company has separate position for Chairman of the Company and Managing Director & CEO. The Chairman of the Company is a Non-Executive Director and not related to Managing Director & CEO of the Company.

During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinion.

- e. **Web link where policy for determining 'material' subsidiaries is disclosed**

Not Applicable

- f. **Web link where policy on dealing with related party transactions**

<https://www.axisfinance.in/docs/default-source/investors-corner/disclosure-under-regulation-62/policy-on-dealing-with-related-party-transactions.pdf>

- g. **Disclosure of commodity price risks and commodity hedging activities**

Not Applicable

- h. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

Not Applicable



- i. **A certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority**

The Company has obtained certificate from JPAT & Co., Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority, enclosed as **Annexure I**

- j. **Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part**

The particulars of payment of fees to Statutory Auditors is provided in notes forming part of financial statement for the year ended March 31, 2026.

- k. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- i. number of complaints filed during the financial year – 0
- ii. number of complaints disposed of during the financial year – 1
(one complaint received on the POSH ID did not qualify under POSH)
- iii. number of complaints pending as on end of the financial year – 0

- l. **Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount**

Nil

- m. **Details of material subsidiaries of the Company including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

Not Applicable

- n. **Non-compliance of any requirement of corporate governance report of above, with reasons thereof shall be disclosed**

Nil

- o. **The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted –**

The Company has adopted the following discretionary requirements as specified in Part E of Schedule II:

- i. The Company has adopted regime of financial statement with unmodified audit opinion.
- ii. The Company has appointed separate position of Chairman and the Managing Director & CEO
- iii. Chairman is a Non-Executive Director and not related to Managing Director & CEO.

p. The disclosures of the compliance with corporate governance requirements

The Company being a High Value Debt Listed Entity, the Company is in compliance with corporate governance requirements specified in Chapter VA (Regulation 62B to 62Q of the Listing Regulations. Further, regulation 17 to 27 of the Listing Regulations were also complied to the extent applicable to the Company. Further, the clauses (b) to (i) of sub-regulation (2) of regulation 46 are not applicable to the Company.

q. Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management

The Company has adopted a Code of Conduct for its Directors and Senior Management which is available on the Company's website – <https://www.axisfinance.in/docs/default-source/policies-and-standards/codes---policies/code-of-conduct-for-directors-and-senior-management.pdf>

All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with the aforementioned Code. A declaration signed by the Managing Director & CEO to this effect is enclosed as **Annexure II**.

r. Disclosures with respect to demat suspense account / unclaimed suspense account

Not Applicable

s. Disclosure of certain types of agreements binding listed entities

Not Applicable

On behalf of the Board of the Directors

sd/-

Amitabh Chaudhry
Chairman
DIN: 00531120

Place: Mumbai
Date: April 17, 2026



Annexure I

Certificate of Non-Disqualification of Directors

[Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

Axis Finance Limited

Axis House, Ground Floor,
Wadia International Centre,
Worli, Mumbai – 400025.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Axis Finance Limited having CIN U65921MH1995PLC212675 and having registered office at Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai, Maharashtra, India, 400025 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr No	Name of Director	DIN	Date of Appointment in the Company
1	Amitabh Chaudhry	00531120	January 17, 2019
2	Babu Rao Busi	00425793	April 16, 2021
3	Deepak Maheshwari	08163253	June 26, 2019
4	K Narasimha Murthy	00023046	January 12, 2023
5	Pallavi Kanchan	07545615	January 12, 2023
6	U B Pravin Rao	06782450	April 14, 2022
7	Narasimhan Rajashekar	02313710	June 26, 2024
8	Puneet Sharma	06964749	June 26, 2024
9	Sai Giridhar	10757486	January 01, 2025
10	Vishal Sharan	11056592	May 29, 2025

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR JPAT AND CO.
(Practicing Company Secretaries)

sd/-

Prity Adwani

Partner

FCS No.: F11836

CP No.: 27646

PR No.: 7767/2026

UDIN: F011836H000125983

Place: Pune

Date: April 17, 2026

Certificate on Corporate Governance

[Pursuant to Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

Axis Finance Limited

Axis House, Ground Floor,
Wadia International Centre, Worli,
Mumbai - 400025

We have examined the compliance of conditions of Corporate Governance by Axis Finance Limited (hereinafter referred as "Company") for the financial year ended March 31, 2026 as prescribed under Regulations 62B to 62Q (read with Regulation 23 and 24A) and para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For JPAT & Co.
(Practicing Company Secretaries)

sd/-

Prity Adwani

Partner

FCS No.: F11836

CP No.: 27646

PR No.: 7767/2026

UDIN: F011836H000126082

Place: Pune

Date: April 17, 2026

Annexure 3

Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. A brief outline of the Company's CSR Policy

The Corporate Social Responsibility ('CSR') philosophy of Axis Finance Limited ('Company') is to make meaningful and measurable contributions in the lives of socially, economically, financially and physically excluded, disadvantaged and challenged communities of the country through an integrated approach of development that focuses on creating opportunities for enhancing livelihood opportunities, improving quality of education and skills development, creating awareness amongst public at large on topics of financial literacy, health and hygiene and facilitating or providing access to formal banking channels for un-banked sections of the society (financial inclusion), promoting environmental sustainability, and supporting health and sanitation initiatives which may be implemented either directly by the Company or through Axis Bank Foundation ('ABF') or other implementation partners, as set out in the Annual Action Plan ('AAP').

2. Composition of the CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Pallavi Kanchan	Chairperson, Independent Director	3	3
2.	U B Pravin Rao	Member, Independent Director	3	3
3.	Sai Giridhar	Member, Managing Director & CEO	3	3

3. Web-link of composition of CSR Committee, CSR Policy and CSR projects approved by the Board:

- Composition of the CSR Committee: <https://www.axisfinance.in/investors-corner/stakeholders-information/board-committee>
- CSR Policy and Projects: <https://www.axisfinance.in/csr>

4. Details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of The Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

- Average net profit of the Company as per section 135(5): ₹ 813,74,50,556/-
 - 2% of average net profit of the Company as per section 135(5): ₹ 16,27,49,011/-
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year (5b + 5c - 5d): ₹ 16,27,49,011/-

6. (a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project): ₹ 16,20,48,284/-

(b) Amount spent in Administrative overheads: ₹ 7,00,727/-

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the FY 2026 (6a + 6b + 6c): ₹ 16,27,49,011/-

(e) Details of amount spent and unspent for CSR activities for the financial year:

Total Amount spent for the FY 2026 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)		
	Amount (in ₹)	Date of Transfer	Name of Fund	Amount (in ₹)	Date of Transfer
₹ 16,27,49,011/-	Nil		Nil		

(f) Excess amount for set off, if any: Nil

Sl. no.	Particulars	Amount in ₹
(1)	(2)	(3)
(i)	2% of average net profit of the Company as per sub-section (5) of section 135	₹ 16,27,49,011/-
(ii)	Total amount spent for the Financial Year	₹ 16,27,49,011/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Nil

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	FY 2023	-	-	-	-	-	-	-
2.	FY 2024	-	-	-	-	-	-	-
3.	FY 2025	-	-	-	-	-	-	-



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s) if the Company has failed to spend 2% of the average net profit as per section 135(5) : Not Applicable

sd/-

Sai Giridhar

Managing Director & CEO

sd/-

Pallavi Kanchan

Chairperson of CSR Committee

Management Discussion and Analysis

Global Economic Overview

The ongoing West Asia conflict shrouds global economics in uncertainty, given the impacts of product shortages, fiscal responses, and their non-linear impacts across a swathe of national economies. Within these constraints, latest IMF global growth forecasts are at 3.1%, with good US growth partly helped by defence spending, while Chinese growth continues to slow. Apart from defence, stronger conditions are being driven by technology-led investment and heavy non-defence fiscal spending. At the same time, input shocks are likely to stall moves lower in inflation, with the potential for increases driven by the tenor and intensity of conflict—even though most assumptions pencil in a near-end cessation of hostilities. Chinese growth remains subdued with political priorities appearing to move closer to stability and with the pivot to consumption largely only on paper. Defence spending in the EU and Japan is also likely to increase to the extent politically possible. Slower Chinese growth and greater fiscal spending elsewhere squeeze global savings, keeping rates higher.

FY 2025-26 Outlook: Macro-Economic Environment

The global environment is likely to see continued and high policy uncertainty, given major geopolitical flashpoints and ambitions of both established and new global powers. Uncertainty around the political capital of German and French governments, pressure for change of the PM in the UK, an extraordinarily strong mandate for Japanese PM Takaichi, and potential for US Republicans to lose both Houses in midterm elections add another layer to present macro and geopolitical risks. In this environment, a shift is also seen taking place from 'Just in Time' to 'Just in Case', with large investments likely in re-industrialisation and reorienting of value chains—this implies physical shortages will likely continue for some time even after the West Asia conflict cools.

The outlook for Q1FY27 remains mired in extreme uncertainty around availability and prices of inputs as well as capital, potential macro-financial policy volatility, and a move lower in consumer and business confidence associated with activity. Simultaneously, inflation might also be stressed by a mild El-Niño, an increase in global edible oil, sugar and wheat prices sensitive to crude oil, and a potential pump price hike, even as global headline inflation is projected to ease to 3.4% in 2027. Policy authorities are expected to smooth the impacts of global disruptions.

Indian Economy Review

India's growth has been resilient despite global uncertainty around trade and tariffs, driven largely by domestic demand and investment. Real GDP growth for FY 2025-26 is estimated at 7.4%–7.6%, with nominal GDP growth at 8.0%–8.6%, underscoring the economy's underlying strength. Indian exports also appear to have found alternate markets on aggregate, with limited evidence so far of meaningful downward margin pressure owing to tariffs. While conditions remain robust, weak deposit growth continues to be a hindrance, driven by defence of the Indian rupee as well as heavy demand for currency notes.

Inflation conditions remain benign, despite marked volatility in both food and precious metal prices. Looking at underlying inflation trends, some data indicates softening inflationary pressures. There is some sensitivity of underlying inflation to both commodity prices and the Indian rupee, but these do not yet appear to have forced pressures up.

The current account deficit also remains low, supported by alternate export markets and strong electronics trends despite tariff uncertainty. However, outflows have instead been on the capital side, given the drawdown of global savings and still-high accumulation of domestic savings. The RBI is seen using reserves strategically to guide the INR towards a weaker fair value.

India's fiscal consolidation resulted in a ratings upgrade by S&P Global to BBB. However, the government likely drove the process of consolidation to a halt in FY 2026-27's targeted numbers. Even so, quality of spending has been maintained, with strategic thrusts around resources, connectivity and services exports. This is also reflected in growth composition, with gross fixed capital formation estimated to grow by 7.8% and private final consumption expenditure by 7.0% in FY 2025-26.

FY 2026-27 Outlook: Macro-economic Environment

The recovery in FY 2026-27 is likely to face near-term challenges from twin shocks to resource and capital availability, driven by geopolitical developments. These could weigh on input costs, profitability and investment sentiment. However, India's macro buffers remain relatively strong, with the government's fiscal capacity and the RBI's ability to manage volatility, including pressures on the INR, expected to help cushion the most adverse effects.

Growth is expected to moderate from the high base of FY 2025-26, with real GDP growth projected in the 6.5-7.0% range in FY 2026-27. Even so, medium-term growth is likely to be driven by domestic factors, supported by improving trade arrangements, stronger public capex, and a favourable outlook for consumption—though eventual monetary tightening and tighter global capital availability can hold back impulses. Nominal GDP growth is projected at ~10.5%, reflecting both steady demand and a firmer inflation environment.

Inflation is expected to harden from the lows of FY 2025-26. Average CPI inflation is projected at ~4.3%–4.9%, with upside risks from crude oil, fuel price revisions and weather-related disruptions, including the possibility of an El Niño event. WPI inflation is also expected to rise to ~3.5%, led by higher global energy and commodity prices. The pace of any monetary response will depend on how broad-based these pressures become.

Prolonged conflict in West Asia remains a key downside risk, particularly owing to its impact on energy prices, inflation, external trade and domestic investment. Risks to domestic growth also include high temperatures and weather-related disruptions. The implications of such shocks for credit quality, working capital and term loan demand will require close monitoring.

Industry Overview

The Indian financial services sector continues to demonstrate resilience and structural growth, supported by a stable macroeconomic environment, strong domestic consumption, and ongoing formalisation of economic activity. India remains one of the fastest-growing major economies globally, underpinning sustained demand for financial services. Within this broader context, credit demand is expected to remain robust, particularly across Micro, Small and Medium Enterprises (MSMEs) and retail segments, which continue to be key engines of economic growth and employment generation.

MSMEs, in particular, represent a significant driver of incremental credit demand, given their critical contribution to GDP, exports, and job creation. However, structural gaps in formal credit access persist, creating a large addressable opportunity for financial institutions. Similarly, rising aspirations, increasing urbanisation, and improving income levels are driving credit demand among retail borrowers, particularly in housing, consumption, and business-linked financing.

Policy support continues to play a pivotal role in sustaining credit growth and mitigating cyclical risks. In this regard, the Government of India's announcement of the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 represents a timely and targeted intervention. The scheme aims to provide incremental, fully guaranteed credit support to MSMEs, select non-MSME sectors, and scheduled passenger airlines impacted by short-term liquidity pressures arising from global geopolitical developments, including the West Asia crisis. By enhancing credit availability and reducing lender risk exposure, the scheme is expected to facilitate liquidity infusion into vulnerable sectors, support business continuity, and stabilise borrower cash flows. The initiative is also expected to benefit NBFCs by improving credit transmission and supporting asset quality in the MSME segment.

Non-Banking Financial Companies (NBFCs) have emerged as a critical pillar of the Indian financial system, complementing the banking sector by catering to segments that are either underserved or not adequately served by traditional lenders. Their differentiated business models, coupled with greater operational flexibility, enable them to address niche and evolving customer requirements across geographies and income segments. NBFCs have consistently demonstrated the ability to deliver faster credit decisions, customised product offerings, and enhanced customer service, thereby strengthening their relevance in the credit ecosystem.

A key structural growth driver for NBFCs is their increasing focus on rural and semi-urban (RuSu) geographies. These markets remain relatively underpenetrated by traditional banking channels due to constraints related to distribution reach, customer profiling, and cost economics. However, improving infrastructure, rising rural incomes, increased digital connectivity, and favourable demographic trends are driving financial inclusion in these regions. NBFCs, with their agile operating frameworks and localised underwriting capabilities, are well-positioned to unlock this opportunity and expand their footprint in these geographies.

The sector has also witnessed significant evolution in terms of scale, diversity, and competitive intensity. A wide spectrum of players—ranging from systemically important NBFCs to specialised, technology-led lending platforms—are actively participating in the market, each focusing on specific customer segments and asset classes. This heterogeneity has fostered innovation, improved service delivery, and enhanced credit penetration across the ecosystem.

Over the past decade, India's financial services landscape has undergone a transformational shift, driven by the rapid adoption of digital public infrastructure and technological advancements. The proliferation of Aadhaar-based e-KYC, the Unified Payments Interface (UPI), mobile internet, and the emergence of neo-banking platforms have fundamentally redefined the way financial services are accessed and delivered. This digital backbone has enabled the modularisation of financial services, particularly in credit origination, underwriting, disbursement, and servicing, resulting in improved efficiency, scalability, and customer experience.

Building on this strong digital foundation, the NBFC sector is now entering a phase of accelerated transformation driven by Artificial Intelligence (AI) and advanced analytics. Institutions are increasingly leveraging data-driven models to enhance decision-making, optimise risk management, and drive operational efficiencies. This shift from traditional, collateral-based lending towards intelligent, data-centric frameworks is enabling NBFCs to expand their reach while maintaining portfolio quality.

AI technologies are being deployed across the entire credit lifecycle. By leveraging alternative data sources—such as transactional behaviour, digital footprints, GST data, and psychometric indicators—NBFCs are able to assess borrower creditworthiness more effectively, particularly for new-to-credit and thin-file customers. This has significantly reduced turnaround times (TAT) for loan approvals and improved customer acquisition efficiency. Core use cases of AI include credit underwriting, lead generation, fraud detection, collections optimisation, customer service automation, and real-time decision-making.

In addition, predictive analytics and AI-driven engagement tools are enabling a shift from reactive customer servicing to proactive and personalised interactions. Financial institutions are increasingly able to anticipate customer needs, offer tailored financial solutions, and enhance cross-sell and upsell opportunities, thereby improving customer lifetime value.

The adoption of Generative AI is further accelerating innovation within the NBFC sector. Applications such as automated document verification, intelligent data extraction, conversational customer interfaces, and personalised communication generation are improving operational productivity and consistency while reducing manual intervention. These capabilities are expected to play an increasingly important role in enhancing scalability and cost efficiency across the sector.

Despite strong structural tailwinds, the sector continues to operate in a dynamic and evolving environment. Key challenges include managing funding costs in a relatively tight liquidity environment, maintaining asset quality amid macroeconomic uncertainties, and adapting to an increasingly stringent regulatory framework. The Reserve Bank of India (RBI) has continued to strengthen its supervisory oversight of NBFCs, with a focus on governance, risk management, capital adequacy, and scale-based regulation, which is expected to further enhance the resilience and stability of the sector over the medium term.

Additionally, external factors such as global interest rate movements, geopolitical developments, and commodity price volatility may have an indirect impact on borrowing costs, liquidity conditions, and borrower repayment capacity. Therefore, maintaining a prudent and balanced approach to growth, underwriting discipline, and liquidity management remains critical for sector participants.

Looking ahead, the Indian NBFC sector is well-positioned to capitalise on the structural growth opportunity arising from increasing credit demand, supportive policy measures, expanding digital infrastructure, and technological innovation. The convergence of these factors is expected to drive sustained growth, improved financial inclusion, and enhanced competitiveness. NBFCs that are able to effectively integrate technology, maintain strong risk frameworks, and align their strategies with evolving regulatory expectations are likely to emerge as long-term winners in the evolving financial services landscape.

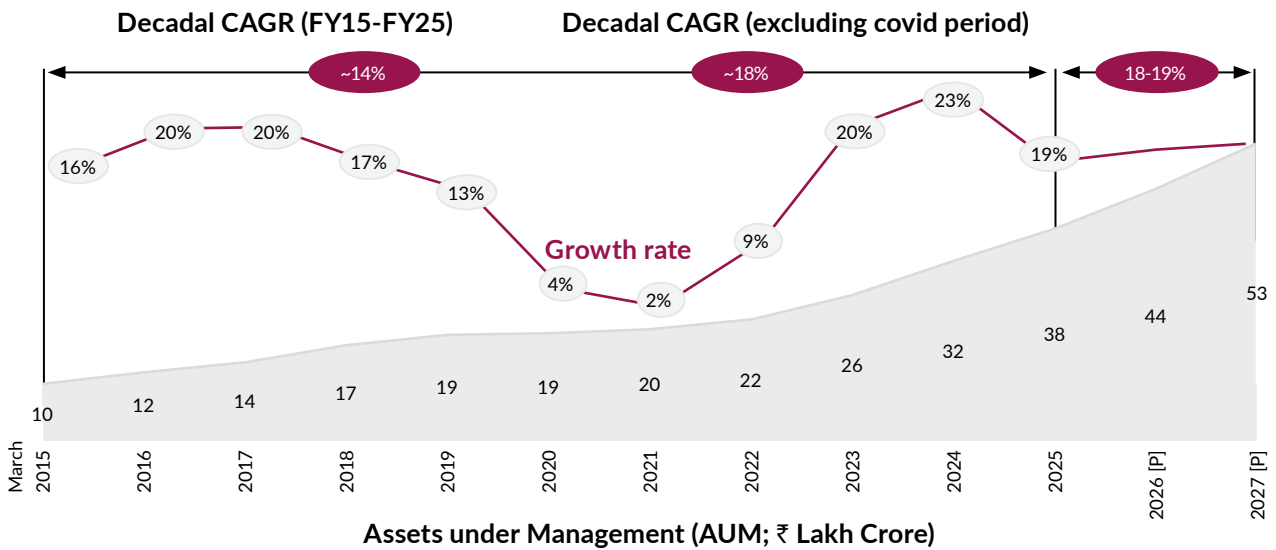
Outlook for NBFC sector

According to the CRISIL report, – the NBFC: NBFC sector is expected to grow 18%-19% in this fiscal. NBFCs are navigating the growth-risk-funding trifecta amid the dynamic operating environment. There has been a consumption boost from policy measures, but the impact of customer leverage is monitorable. Additionally, NBFCs are continuing to diversify their borrowing profile, with a pickup seen in bank funding for mid-sized NBFCs, while capital markets volumes were buoyant for higher-rated NBFCs. Asset quality is likely to remain range-bound in most segments; however, some uptick in delinquencies seen in some segments, such as vehicle loans, small ticket MSME loans, and personal loans will be a key monitorable. LAP and Gold loans are expected to grow at a faster rate than industry growth.



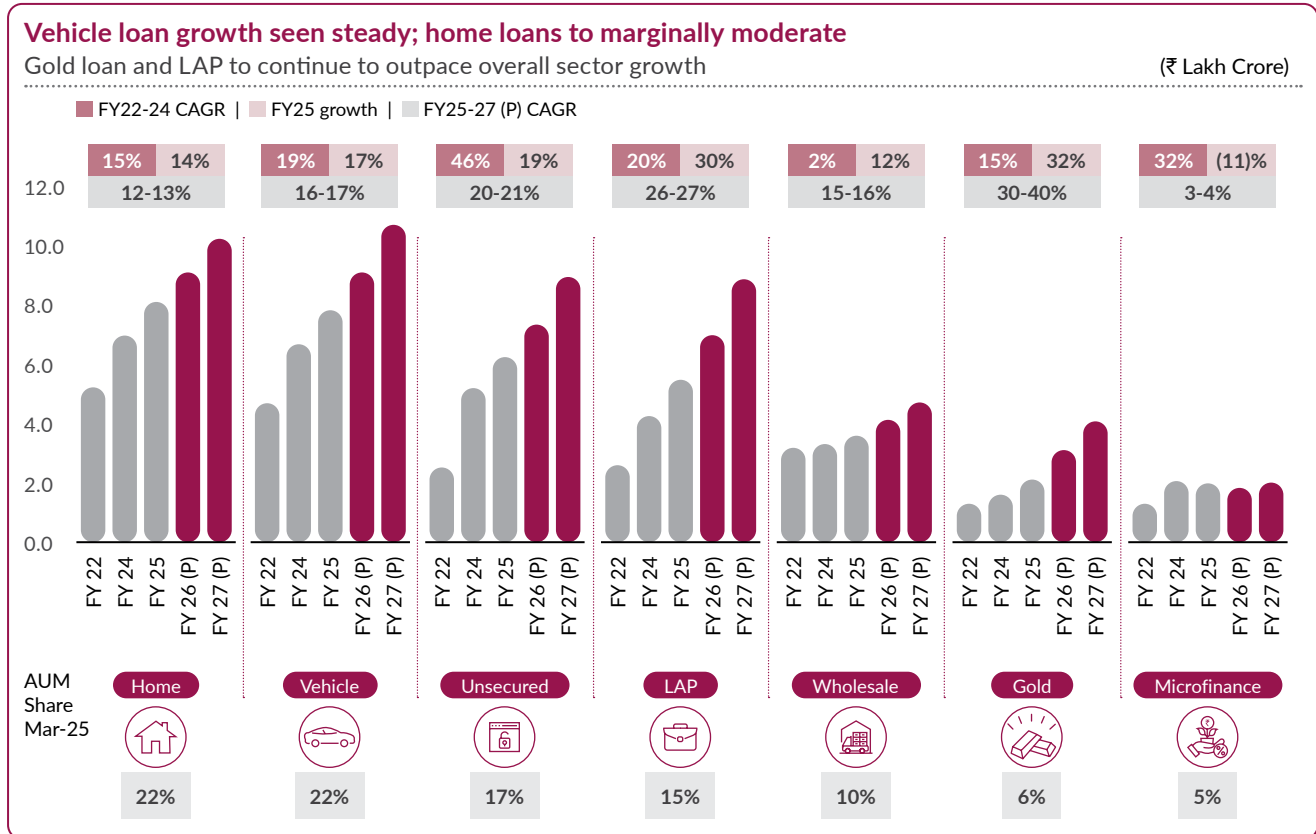
AUM Growth

NBFC Sector AUM to cross ₹ 50 Lakh Crore by March 2027



Source: CRISIL Ratings

AUM Growth led by segments



Note: LAP includes secured MSME; unsecured loans include consumer loans (personal loans and consumer durable loans), business loans to SMEs and credit card receivables

Source: CRISIL Ratings

Regulatory Environment and Developments—NBFC Sector (FY 2025-26)

During FY 2025-26, the Reserve Bank of India issued consolidated Master Directions for NBFCs, replacing multiple legacy circulars with a structured, function-wise regulatory framework. These Directions primarily focused on regulatory clarity, governance strengthening and customer protection, without materially altering core prudential norms.

The key regulatory developments are summarised below:

RBI (Non-Banking Financial Companies—Responsible Business Conduct) Directions, 2025

The above Directions replaced and subsumed multiple earlier circulars on fair practices, customer protection, recovery conduct, and disclosures, thereby strengthening regulatory clarity and enforcement. The framework places primary responsibility on the Board of Directors, requiring Board-approved policies on fair practices, interest rate setting, recovery methods, engagement of direct sales/recovery agents and grievance redressal. NBFCs are mandated to ensure ethical conduct throughout the lending lifecycle, including pre-sanction disclosures, loan servicing and recovery processes.

Reserve Bank of India (Non-Banking Financial Companies—Undertaking of Financial Services) Directions, 2025

The above Directions provide a comprehensive and consolidated framework governing the manner in which NBFCs may undertake non-core and allied financial services. The Directions replace earlier fragmented guidelines and prescribe uniform regulatory conditions to ensure that such activities are carried out in a prudent, transparent, and well-governed manner under Board oversight.

Under the above directions, where the Company forms part of a group with a Scheduled Commercial Bank, and both entities undertake the same financial activity, the Company is required to comply with the applicable provisions of the RBI (Commercial Banks—Undertaking of Financial Services) Directions, 2025, in addition to the NBFC-specific directions which inter alia requires the Company to comply with regulations as applicable to Upper Layer NBFC other than the requirement for listing.

Reserve Bank of India (Non-Banking Financial Companies—Credit Risk Management)—Amendment Directions, 2026

The above Directions significantly strengthen the regulatory framework governing lending to related parties by NBFCs. Definitions of related party, control, promoter, KMP, lending, and person have been expanded and aligned with the Companies Act, 2013, and the Insolvency and Bankruptcy Code, 2016. The Directions also mandate enhanced disclosures, internal audit review, whistleblower safeguards, and supervisory reporting, and explicitly prohibit structures intended to bypass the regulatory objective.

Reserve Bank of India (Non-Banking Financial Companies—Internal Ombudsman) Directions, 2026

The above Directions aim to further strengthen customer grievance redressal mechanisms in eligible NBFCs. The said Directions newly empower the Internal Ombudsman to award compensation, supported by strengthened Board and Customer Service Committee oversight through periodic reporting and monitoring, thereby enhancing accountability, transparency and customer protection.

The Company has undertaken a detailed review of the revised Master Directions and aligned its internal policies, procedures and compliance frameworks accordingly. Management continues to closely monitor regulatory developments and remains committed to maintaining full compliance with applicable RBI guidelines while supporting sustainable and prudent growth of the business.

Other Developments During the Year

The Government of India (GOI) issued a press release announcing implementation of four Labour Codes—the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as 'the Labour Codes') rationalising 29 Labour Laws. Major provisions of the Labour Code are effective from November 21, 2025. Subsequently FAQs have been released in the month of December 2025 and January 2026.



Based on FAQs from the ICAI and the Ministry of Labour & Employment and based on the management's assessment and actuarial valuation, the Company has made an additional provision amounting to ₹ 5.45 Crore on account of the past service cost determined by the actuary towards the implementation of the Labour Code as gratuity expenses which has been debited to the Statement of Profit and Loss for the current year under the head 'Employee Benefits Expenses'.

ESIC contribution has been initiated for all eligible employees under the new wage code, and necessary impact analysis was conducted for existing employees, and salary structures have been realigned.

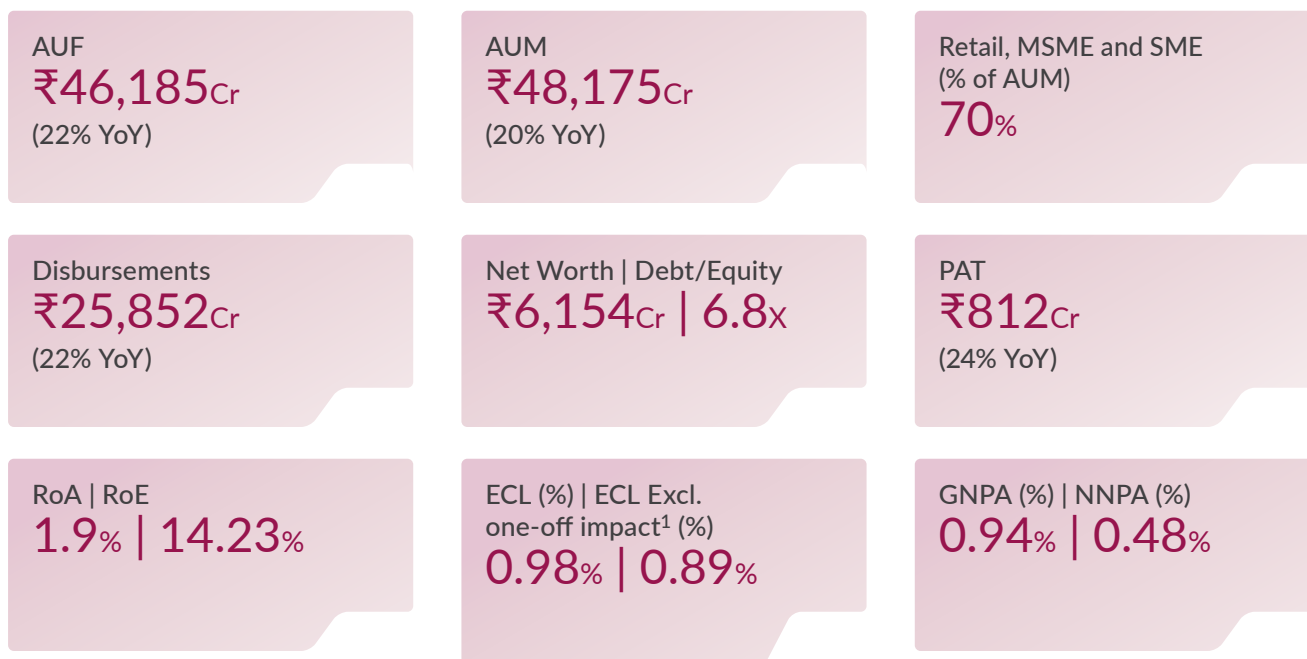
The Company has evaluated the impact of these changes and has realigned HR process and payroll systems, including the impact on the cost of contractual labour.

Axis Finance Limited Overview

Axis Finance Limited / Axis Finance (AFL) is a systemically important, non-deposit taking NBFC and a subsidiary of Axis Bank Limited. AFL is engaged in the business of lending and offers a comprehensive suite of financial solutions designed to meet diverse needs of Retail, MSME and Corporate customers across their lifecycle. As per the RBI circular dated December 5, 2025, bank-led NBFCs, including AFL, were required to align with Upper layer regulatory norms, except listing obligations. Consequently, AFL has complied with all applicable regulations.

AFL's lending suite comprises products such as Loan against Property, Disha-HL, Shakti M-LAP Home Loans, Personal Loans, Business Loans, MSME Loans, and Corporate Loans. Backed by 2,257 employees and 72 branches, AFL has a wide presence across India.

AFL at a Glance (As on March 31, 2026/For the year FY 2025-26)



Note¹: ECL Excl. one-off impact excludes incremental provision of ₹36 Crore in FY 2025-26 due to adoption of RBI Circular on Project Finance and Upper Layer Regulations

Business Overview

AFL is a diversified, AAA-rated NBFC serving Retail, MSME, SME, and Corporates with a clear focus on lending to India's enterprise ecosystem. Since inception, AFL has built a strong and scalable franchise, reaching an AUM of ₹ 48,175 Crore as of March 2026, representing a 35% CAGR over five years, positioning it among the fastest-growing NBFCs in the country. During the year, AFL strengthened its product portfolio by launching Disha Home Loans and the MSME Retail Banking Group, both designed to enhance portfolio granularity and extend credit inclusion to underserved customer segments. The Retail, MSME and SME (RAM) AUM continued its strong growth momentum, increasing its contribution to the overall book to 70%.

With over 86% of the portfolio secured, AFL has further strengthened asset quality through tighter retail credit policies, the rollout of proprietary scorecards, and the implementation of a risk-based pricing framework. These initiatives have reinforced the Company's already robust credit profile, reflected in a GNPA of 0.94% and NNPA of 0.48%. The asset quality and return metrics underline the book's resilient and robust performance.

Effective December 5, 2025, bank-led NBFCs are mandated to comply with regulations applicable (except listing obligations) to upper-layer NBFCs. Such compliance mandates a higher stage 1 provision on the commercial real estate book, resulting in an additional provision of ₹ 29.8 Crore for FY 2025-26. Additionally, RBI issued 'Reserve Bank of India (Project Finance) Directions, 2025' in June 2025, which mandates NBFCs to charge higher provision on book defined as 'project finance'. This resulted in an incremental provision of ₹ 6.5 Crore for FY 2025-26. Despite this, the asset quality and return metrics underline the book's resilient and robust performance.

Axis Finance's operating philosophy is anchored in three core principles—Conservative, Consistency, and Customer Centricity. These pillars shape our strategy, risk culture, and execution approach, enabling us to deliver sustainable growth while remaining resilient across economic cycles.

Conservative in approach, it forms the cornerstone of our risk philosophy. As a lending institution, we believe that protecting capital and asset quality is fundamental to long-term value creation. This is reflected in disciplined underwriting practices, prudent growth, diversified funding, robust collection practices, and strong governance frameworks. Our emphasis on being conservative ensures that growth is pursued responsibly, safeguarding the trust of investors, regulators, and customers alike.

Consistency underpins our aspiration to build a stable and credible franchise. Rather than chasing high-risk segments for high returns, we focus on delivering predictable and repeatable outcomes across business cycles. Clear product strategies, disciplined execution, and close alignment between business, risk, and technology teams allow us to sustain performance, strengthen financial metrics, and maintain asset quality even in challenging environments.

Customer Centricity remains central to our business model. We are focused on understanding evolving customer needs and delivering financial solutions that are transparent, timely, and tailored. Through technology-led journeys, simplified processes, and data-enabled insights—supported by a strong 'human-in-the-loop' approach—we strive to enhance convenience while ensuring responsible lending and long-term customer relationships.

Together, being Conservative ensures resilience, Consistency builds credibility, and Customer Centricity creates relevance. These three pillars reinforce one another, shaping a business model that balances growth with prudence and innovation with responsibility. As we continue to evolve as a diversified NBFC, the 3 C's will remain central to how Axis Finance grows—steadily, responsibly, and with the customer at the core.

AFL's performance is built on a strong technology-led foundation, a scalable business model, and a customer-centric product suite, with risk management embedded as a cornerstone of its operating philosophy. These strengths have enabled consistent profitability, with clocking PAT of ₹ 812 Crore, growing at 33% CAGR over the last five years. AFL today is a 2,257-member organisation with a presence across 1,120 locations with a hub and spoke approach, continuing to expand its footprint and capabilities.



AUM Contribution of Different Segments over the Years**

Product Classification	FY21	FY22	FY23	FY24	FY25	FY26
AUM (Asset Under Management) (₹ in Crore)	10,676	16,624	24,480	34,413	40,142	48,175
Retail	1,880	5,694	11,446	17,336	20,741	24,847
MSME	-	648	1,700	1,919	2,501	4,320
Wholesale	8,796	10,282	11,334	15,158	16,900	19,008

*Including assigned portion of the sell-down portfolio

#Excludes Treasury

AUF Contribution of Different Segments over the Years#

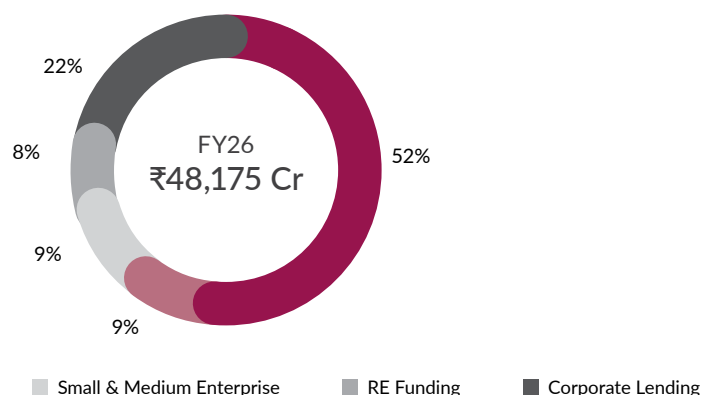
Product Classification	FY21	FY22	FY23	FY24	FY25	FY26
AUF (Asset Under Finance) ₹ Crore	10,676	16,624	22,529	31,414	37,818	46,185
Retail	1,880	5,694	9,495	14,337	18,418	22,857
MSME	-	648	1,700	1,919	2,501	4,320
Wholesale	8,796	10,282	11,334	15,158	16,900	19,008

#Excludes Treasury

Starting FY 2025-26, Axis Finance has refined its portfolio segmentation framework to present an accurate view of its customer base and enable sharper visibility across borrower categories.

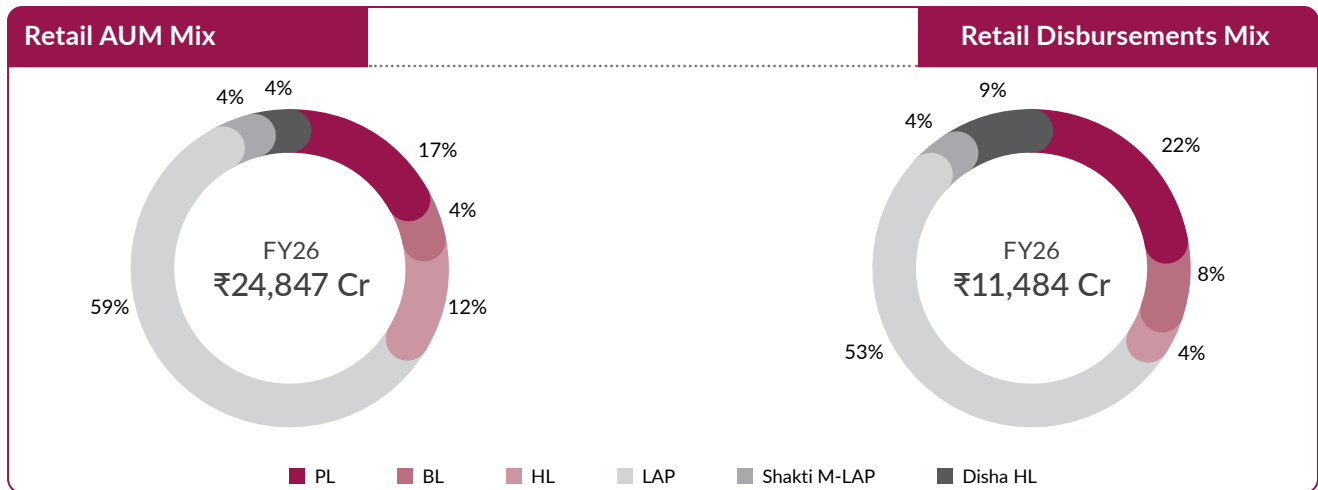
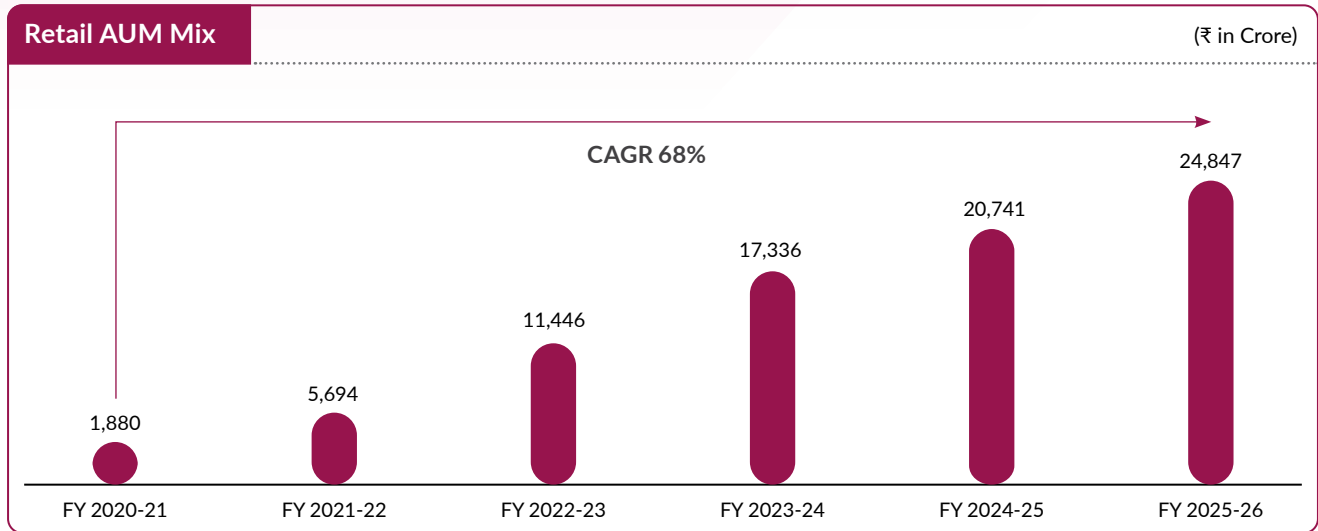
- Retail and MSME portfolios are classified based on the Company's distribution approach and customer segment focus.
- SME Lending includes exposures to established small and medium enterprises with annual revenues below ₹250 Crore and formal business credentials, including valid Udyam registration. These exposures were previously reported as part of the broader enterprise lending portfolio and have now been separately delineated to support more granular portfolio tracking, differentiated risk assessment and focused business oversight.
- Given the unique characteristics of the real estate sector, it has been identified as a distinct portfolio segment.

Portfolio Segmentation (AUM)



Segment-wise Performance

Retail



AFL initiated its retail journey in FY 2019-20 with a clear strategic intent to broaden and granularise its portfolio and tap into India’s growing retail credit opportunity. In just six years, the retail portfolio has scaled rapidly to contribute 52% of the total AUM, demonstrating a staggering growth of 68% CAGR over the past 5 years. This growth has been propelled by well-designed products, robust customer acquisition, prudent underwriting, and consistent execution.

FY 2025-26 was a pivotal year for the retail franchise. As the industry witnessed stress in the asset quality, especially in the unsecured loans segment, AFL strengthened its credit policies across all retail products, enabling it to onboard stronger customer profiles and enhance underwriting discipline while still delivering healthy growth of 24% in the on-book loan portfolio.

AFL further strengthened its retail offerings by launching Disha Home Loans, a dedicated housing loan offering at lower ticket sizes ranging from ₹ 10–30 Lakh. This product is designed to serve homebuyers in salaried/self-employed income streams, targeting customers in semi-urban and rural markets—segments that demand customised assessment, doorstep service and faster decisioning. The small-ticket housing segment is a large, underpenetrated market with structurally better risk-adjusted



return metrics and strong credit behaviour. Disha-HL enables AFL to tap into this demand and accelerate the scale and granularity of the retail book.

A comprehensive revamp of the Shakti M-LAP and Business Loans offerings was also undertaken. The redesigned MLAP product now caters to a broader borrower base with sharper LTV bands, improved income assessment frameworks, and faster approval journeys. The Business Loans product was re-architected with segment-specific scorecards, verticalised teams, dedicated distribution, enhanced bank-statement analytics, and tighter cash-flow underwriting, resulting in more consistent credit outcomes.

Below is a further deep-dive in our retail product segments:

Prime Secured Segments

AFL's Prime Secured strategy aims to build a stable, scalable secured book anchored in high-quality customers across Loan Against Property (LAP) and Home Loans. Prime Secured lending acts as a cornerstone of AFL's balance sheet by providing long-tenor loans, giving scale, and strengthening overall credit quality. Prime secured products form the largest portion of our disbursements at 25% in FY 2025-26 and contributed 37% of the AUM in FY 2025-26.

- **Loan against Property (LAP):** AFL's Loan Against Property (LAP) offers structured, long-tenor credit solutions to prime salaried and self-employed customers, with loans up to ₹ 10 Crore and tenures up to 20 years. Underwriting is strengthened through document sourcing directly from government platforms, viz. ITR, GSTIN and bank statements via Account Aggregator ensuring accuracy and eliminating document-fabrication risks. Property diligence, valuation and legal checks follow disciplined, rule-based frameworks. LAP is sourced through a mix of direct channels, DSA and specialist connectors and remains a vital part of AFL's secured franchise given it forms the largest part of our overall portfolio mix and has robust asset quality.
- **Home Loans:** The Company offers loans for purchasing an apartment, residential plot, construction of a new house, and renovation/extension of an existing house. The tenure of this loan ranges up to 30 years.

Prime Unsecured Segments

AFL's Prime Unsecured strategy focuses on building a strong, phygitally-enabled franchise across Personal Loans and Business Loans, targeting documented prime customers with stable income profiles. This segment plays a critical role in delivering granular growth, fee income, and cross-sell opportunities across the broader retail franchise. Prime unsecured products formed 13% of our disbursements in FY 2025-26 and contributed 11% of the AUM in FY 2025-26.

- **Personal Loans:** AFL's Personal Loans provide seamless, digital credit to prime salaried and self-employed customers, with loans up to ₹ 50 Lakh and tenures up to 84 months. The product is positioned strongly to meet credit requirements with debt consolidation, keeping in check the creditworthiness, enabling borrowers to simplify obligations at competitive rates. Underwriting is anchored in bureau behaviour, income stability and bank-statement analytics via the Account Aggregator framework and further assisted by the internal credit score model. Distribution is an appropriate mix of digital supported by curated connectors, channels partners, direct and internal databases; sourcing is governed by risk-based pricing to maintain risk adjusted returns. PL contributes meaningfully to AFL's granular and profitable unsecured portfolio.
- **Business Loans:** AFL's unsecured Business Loans provide fast, collateral-free financing to prime small businesses, offering loans up to ₹ 50 Lakh with tenures up to 48 months. The product supports working capital, inventory purchase and short-term business needs through simplified documentation and quick turnaround. Credit assessment leverages bureau data, financial statement analysis, bank statement analysis, GST information and segment-specific scorecards to gauge cash flow strength without relying on collateral. The distribution model combines digital sourcing and curated connectors, supported by disciplined risk-based pricing. BL drives yield-accretive, granular growth within the overall retail portfolio.

Micro Secured Segments

AFL has taken a strategic call to scale its high-yielding micro-secured portfolio—Disha-HL and Shakti-MLAP. With stronger execution push, this segment is emerging as a key profitability lever. Micro-secured products formed 1% of disbursements in FY 2024-25, rising to 6% in FY 2025-26, and contributed 2% of AUM in FY 2024-25 and 4% in FY 2025-26, signaling a clear shift towards granular, high-return assets.

- **Disha Home Loans (Disha-HL):** AFL launched Disha-HL to tap into the fast-growing small ticket housing segment. The product has seen strong early traction, clocking a book size of over 1,000 Crore in its first year of operations. Disha-HL serves both salaried and self-employed customers through a hyper-local, need-based model that adapts to income patterns, property types, and demand pockets across India. Its robust credit underwriting with customised assessment frameworks is tailored for informal-income customers. The franchise is being scaled through a direct and connector-driven distribution engine, enabling a more balanced and diversified sourcing mix in the retail portfolio.
- **Shakti M-LAP:** The MSME segment in India remains significantly underserved due to the inherent nature of these businesses—cash-flow-linked earnings, surrogate or informal income profiles, and limited hard collateral availability. These characteristics make traditional bank underwriting challenging, resulting in NBFCs being the primary credit providers to this segment.

To address the fast-growing credit needs of micro-enterprises within the MSME universe, AFL revamped its curated, high-yielding secured product Shakti MLAP in FY 2025-26. A dedicated distribution vertical has been established to focus on this customer segment. This team operates through deep local market engagement, leveraging on-ground intelligence to identify viable micro-enterprise clusters and ensure consistent sourcing quality. The operating model integrates tighter field-level monitoring, improved customer verification practices, and faster turnaround times suited to small-business cash-flow needs. The credit framework combines surrogate income assessments, cash-flow behaviour and property-backed security to deliver a robust yet practical underwriting construct for this borrower profile.

Micro Unsecured Segments

In FY 2025-26, AFL launched two new products in the micro-unsecured portfolio to further granularise the portfolio. These products are designed to target small-ticket needs of individuals seeking loans for personal and business purposes. A focused approach to customised product offerings, supported by disciplined execution, positions this portfolio as a key driver of profitability in the future years.

- **Kushal Loans:** The Kushal Loan Programme is a targeted personal loan offering aimed at salaried employees across corporates, partnerships, and other eligible entities. The programme is positioned to address diversified personal credit needs through a standardised yet flexible underwriting framework. With ticket sizes ranging from ₹0.5 Lakh to ₹5 Lakh, the portfolio benefits from enhanced granularity. The product delivers attractive risk-adjusted yields, contributing positively to overall portfolio returns.
- **Vyapar Loans:** The Vyapar Loan Programme is designed to address underserved and underpenetrated segments within the MSME ecosystem by offering tailored funding solutions through Business Loans. The programme targets the evolving financial needs of micro and small entrepreneurs, working capital requirements, expansion plan and fixed asset creation. With ticket sizes ranging from ₹1 Lakh to ₹10 Lakh, the portfolio benefits from improved granularity and limited single-borrower concentration. The product delivers attractive risk-adjusted yields thereby contributing meaningfully to portfolio returns and profitability.

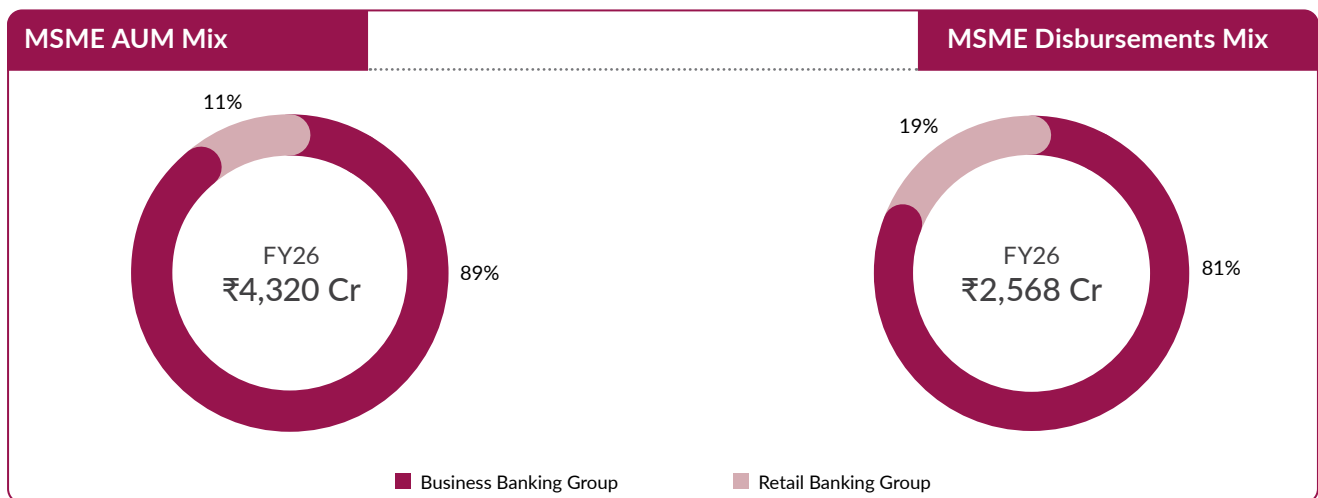
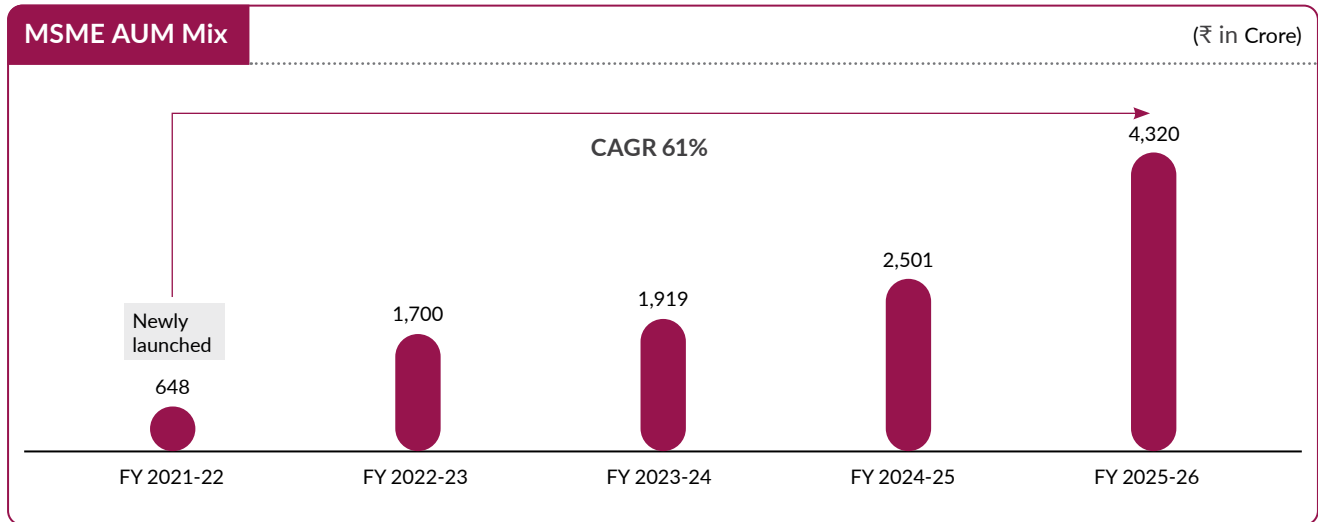
The Company's Retail AUM grew approximately 20% YoY, and retail mix stood at 52% of the AUM. On the disbursements front, the Retail lending segment delivered strong numbers with gross disbursements of ₹ 11,484 Crore in FY 2025-26. The business strategy is to achieve higher growth in the high yielding micro secured lending business through its direct and connector distribution channels. The Company continues to invest in the digital transformation of its existing processes to enhance product delivery and customer experience.

Retail Outlook

AFL will strengthen its retail franchise by increasing its presence in Rural & Semi Urban geographies opening branches at select locations, and increasing customer visibility and reach. The market potential in these areas remains significant, with India becoming the most populous country, and retail credit penetration still lacking compared to more developed countries. The Company will continue to adopt a digital-first approach to acquire customers by launching a revamped solicitation workflow, website, bureau rule engine, etc. These milestone projects will help AFL to build a sustainable, profitable retail business franchise.

Asset quality will be of utmost importance, we have tightened the policies across retail products and with the onset of digital scorecards, we plan to maintain robust asset quality while we grow the book.

MSME



AFL entered the MSME lending space in September 2021 to leverage this compelling growth opportunity. The franchise was further strengthened with the launch of the MSME Retail Banking Group (RBG), enabling a strategic bifurcation of the MSME portfolio into two sub-verticals—MSME-RBG (₹ 1-7 Crore) and MSME BBG (₹ 7-25 Crore). This structure allows AFL to serve the full breadth of the MSME continuum and enhance financial inclusion.

A key strategic focus during the year was the reorientation of the MSME business towards smaller ticket sizes and diversified sourcing. Average ticket size moderated during the year, reflecting a conscious shift towards granularity and portfolio resilience. Channel partnerships were scaled up significantly, with a meaningful increase in active sourcing partners, contributing to broader geographic and customer coverage.

Since inception, the MSME business has expanded to 40+ locations, achieving an AUM of ₹ 4,320 Crore as of March 31, 2026, and disbursing ₹ 2,568 Crore in FY 2025-26, supported entirely by a secured book. With an average ticket size of ~₹6.7 Crore, the franchise continues to build a granular, well-balanced portfolio growing at 73%, diversified across multiple industries, including thematic sectors such as education, healthcare, and hospitality.

The MSME Business Banking Group (BBG) continues to be a core growth engine for the Company, supported by strong structural tailwinds in the MSME sector and the Company’s focused strategic initiatives over the past two years. During FY 2025-26, the Company sustained strong growth momentum in its MSME-BBG portfolio despite a challenging and competitive operating environment. Disbursements and Assets Under Management (AUM) recorded healthy year-on-year growth, supported by

disciplined execution, expansion of distribution reach, and calibrated portfolio mix. The underlying growth trajectory remained robust, with significant improvement over the previous financial year.

The Company also made investments to strengthen the origination and underwriting vertical during the year. While productivity improvements remained a key priority, headcount was augmented across business, credit and monitoring functions to support scale-up of the business. Credit quality indicators remained stable, supported by strong underwriting, tighter monitoring, and early involvement of collections teams across the loan lifecycle.

Profitability metrics in FY 2025-26 were resilient, with yields largely maintained despite a softening interest rate environment. Credit costs were elevated on account of one-time regulatory adjustments, but underlying portfolio performance remained healthy, with low delinquency levels and controlled asset quality metrics.

Looking ahead, the Company expects the MSME-BBG business to continue delivering sustainable growth in FY 2026-27. Strategic priorities include further expansion of distribution, productivity-led growth, deeper penetration of select products, introduction of new offerings, digital and process enhancements to reduce turnaround times, and continued focus on asset quality. The Company remains confident that the BBG platform is well-positioned to deliver growth with profitability and sustainability over the medium term.

The MSME Retail Banking Group (RBG) operates through a dedicated front-end sourcing model supported by a hub and spoke-led operating structure, enabling closer engagement with customers across key business clusters. The platform follows a thematic lending approach, focusing on sectors such as education, healthcare and hospitality, where businesses typically demonstrate stable operating cash flows and strong collateral backing. This sector-focused strategy enables deeper industry understanding and supports consistent underwriting standards.

The business is further supported by a low-cost acquisition strategy anchored on relationship-led sourcing, connector partnerships and cluster-based market penetration, enabling efficient access to MSME customers while maintaining disciplined cost structures. The ₹ 1-7 Crore segment represents a strategic sweet spot in MSME lending, offering an optimal balance between retail-style granularity, risk-adjusted returns and operational scalability. Through RBG, AFL aims to build a scalable and disciplined retail MSME franchise while supporting the growth and formalisation of emerging enterprises across India.

SME

Enterprises serve as the backbone of India's economy, contributing nearly 29% to the nation's GDP, 45% of its manufacturing output, and generating livelihoods for over 11 Crore people. Their growth remains essential to sustaining employment creation across the country. However, despite their expanding contribution, the segment continues to be significantly underserved from a credit perspective due to low levels of formalisation. This structural gap positions the enterprise ecosystem as a high-potential opportunity for AFL to deepen its presence.

The SME Lending book represents exposures to established small and medium enterprises with annual revenues below ₹250 Crore and formal business credentials, including valid Udyam registration. These exposures were previously reported as part of the Company's broader enterprise lending portfolio and have now been separately delineated to enable sharper portfolio monitoring, differentiated risk assessment and improved visibility into this borrower segment. This segment currently contributes 9% to the total portfolio structure, achieving an AUM of ₹4,603 Crore.

MSME and SME Outlook

The MSME and SME segment continues to offer a strong long-term growth opportunity, supported by increasing formalisation and sustained demand for structured credit solutions. AFL will focus on scaling a granular, diversified and predominantly secured portfolio while maintaining strict credit discipline.

The Company will deepen its presence across the enterprise segment through its MSME and SME platforms, with emphasis on smaller ticket sizes, thematic sector lending and wider geographic reach. Expansion of channel partnerships, improved sourcing productivity and selective investments in people and technology are expected to support growth and operating leverage.

Asset quality will remain a key priority, supported by robust underwriting, secured structures, tighter monitoring and proactive collections. Digital enablement across credit assessment and monitoring is expected to further improve turnaround times and portfolio resilience.



RE Funding

The real estate portfolio constitutes ~8% of the AUM, amounting to ₹3,858 Crore as of March 31, 2026, and comprises ready inventory and late-stage projects. These exposures are largely self-liquidating, with repayments driven by inventory sales or receivable realisations. The portfolio is concentrated in select micro-markets and Tier I cities, with a selective expansion approach towards identified opportunities in Tier II markets.

Corporate Lending

The Corporate Lending vertical marked the start of AFL's journey in 2013 and has since steadily expanded in scale to create an identity for itself as a well-respected, leading corporate lending franchise. Over the course of the last 13 years, the business has undertaken deliberate strategic transformation, aligning its approach to the changing macroeconomic environment, emerging risk signals and evolving regulatory expectations. This forward-looking approach has allowed the franchise to consistently navigate market cycles, delivering strong growth, robust profitability and industry-leading asset quality.

The Corporate Lending book has continued its growth momentum with a 22% contribution in AUM at ₹ 10,547 Crore as on March 31, 2026. The book continues to remain diversified with exposure to 25+ sectors.

In line with the Group's sustainability ethos, the segment has undertaken multiple digitisation initiatives, increasing automation at every stage of the loan cycle to reduce TAT and strengthen process standardisation.

The segment's strength stems from its service-driven operating model, characterised by efficient turnaround times and precision execution critical for meeting clients' time-sensitive funding requirements. Its product suite is tailored to client needs and can be broadly classified into two categories:

- **Corporate Loans:** AFL's Corporate loan portfolio comprises 15% of the overall portfolio share, providing loan facilities with tenures ranging from 3 months to 10 years to all sizes of corporates (strategic conglomerates, large and mid-sized corporates) diversified across 25+ sectors. Repayment of these loans is primarily through the operating cash flows of the Company and security is shared on a pari passu basis between lenders. ~50% of incremental corporate loan disbursements made in FY 2025-26 were in the A- & above rating category, demonstrating our focus on asset quality.
- **Collateralised Loans:** This sub-segment, comprising 7% of the overall portfolio share, entails secured loans (on an exclusive charge basis) against a variety of asset classes (commercial/industrial/residential properties/warehouses, etc.) with an identified cash flow (contracted/annuity, etc.). Within the Collateralised loan portfolio, the thematic sectors—Healthcare, Hospitality and Education—remain key focus areas, comprising largely mature assets with a demonstrated cash flow track record.

Corporate Lending and RE Funding Outlook

The Corporate Lending and RE Funding segment is expected to continue delivering stable and selective growth, anchored in disciplined capital deployment and strong risk management. AFL will remain focused on quality-led expansion, with emphasis on secured structures, cash flow visibility and portfolio diversification.

Strategic priorities include continued moderation in average ticket size, deeper sector diversification and a calibrated approach to real estate and emerging micro-markets, including selective opportunities in Tier II cities. Ongoing digitisation and process automation across the loan lifecycle will further enhance efficiency, governance and turnaround times.

With a proven, cycle-tested operating model, the Corporate Lending and RE Funding segment remains well positioned to deliver steady returns, strong asset quality and balance sheet stability over the medium term.

Strengthening Distribution

The Company's distribution strategy continues to evolve in line with its focus on deeper market penetration and portfolio granularity. Incrementally, higher emphasis is being placed on the RuSu markets, where credit demand remains structurally strong and underpenetrated across large parts of India. FY 2025-26 marked a significant milestone with the launch of direct

distribution at AFL for the first time, where we have launched direct channel distribution for Disha-Home Loans and Unsecured Loans, diversifying the sourcing mix and reducing dependence on intermediary-led channels.

Building on this momentum, the Company has planned branch expansions in FY 2026-27, with a majority of new locations focused on RuSu markets to enhance local presence and customer reach. In parallel, AFL is making focused investments in the LAP Direct vertical, with a dedicated team established for direct and connector sourcing, aimed at improving sourcing quality, margins and customer engagement in the secured lending franchise.

Information Technology Initiatives: Executing with Discipline, Transforming with Purpose

FY 2025–26 was a year of disciplined execution and purposeful transformation for Axis Finance, marked by decisive progress across data, digital platforms, automation, resilience, and core infrastructure modernisation. Our technology agenda remained firmly aligned to business outcomes viz. enhancing productivity, improving risk discipline, and delivering a seamless, scalable customer experience.

Stronger Data Governance

At the foundation of our transformation journey, the Company established a unified Data Lakehouse architecture—a single source of truth that created a secure, scalable, and integrated data platform. This enabled structured T-1 data ingestion from core systems, robust security guardrails, and advanced analytics capabilities, forming the backbone of our AI-led decisioning and automation stack. In parallel, we strengthened our data science capabilities by building a specialised team focused on accelerating the adoption of AI, advanced analytics, and intelligent automation across the organisation.

The platform enabled faster and more reliable access to enterprise-wide data, reducing manual effort and accelerating decision-making across functions. It strengthened governance through consistent and audit-ready data, improved reporting and operational visibility, and enhanced AI, ML, and GenAI-driven analytics capabilities for forecasting, risk management, fraud detection, and personalisation. A unified 360-degree customer view also improved customer engagement, cross-sell opportunities, operational efficiency, and overall business outcomes.

Data-Driven Growth and Underwriting Excellence

Axis Finance continued its strategic shift from manual interventions to data-backed, AI-driven effectiveness across the loan lifecycle.

Digital Acquisition and Underwriting

We deployed a comprehensive acquisition engine that streamlined customer onboarding, increased direct originations, and reduced Cost of Acquisition, while maintaining strong underwriting controls.

The platform improved lead quality, conversion rates, and acquisition efficiency through data-led profiling, intelligent segmentation, and personalised engagement. Omnichannel orchestration and real-time decisioning enabled seamless onboarding journeys with faster turnaround times and lower operational overheads. Automated and rule-based underwriting strengthened consistency in decision-making, improved agility in policy implementation, and enhanced fraud detection, exposure monitoring, and overall portfolio quality management.

Advanced Scorecard Engine

Launched an ML-powered scorecard framework to enable high-quality portfolio growth. Of 21 planned scorecards, 9 are live, each meeting stringent risk benchmarks with GINI >40%, ensuring disciplined and informed credit underwriting.



The framework strengthened risk differentiation and portfolio assessment through data-driven credit evaluation models, enabling faster and more consistent underwriting decisions across customer segments. It also improved portfolio monitoring, predictability, and resilience through model-led risk calibration, supporting disciplined and high-quality portfolio growth.

Analytics-led Governance

Applicant scorecards, exception reporting, and self-service analytical dashboards strengthened frontline and management decision-making while improving turnaround time and transparency.

These capabilities improved visibility across the loan lifecycle through real-time dashboards and exception tracking, while reducing dependency on manual reporting through self-service analytics. Faster access to actionable insights enhanced responsiveness across frontline and management teams and strengthened governance, transparency, and decision-making consistency across operations.

GenAI, Automation, and Productivity Enhancement

During the year, the Company moved from experimentation to enterprise adoption of GenAI and intelligent automation.

Agentic AI, Voice and Email Bots

GenAI-enabled solutions were deployed across customer service and collections, handling high-volume interactions in natural language, ensuring compliance, consistency, and reduced operating costs.

This enhanced scalability in customer engagement while reducing servicing and collections costs through automation. Faster response times and natural language interactions improved customer experience and operational turnaround times, while reducing dependency on manual intervention and enabling teams to focus on higher-value activities. Conversational analytics also generated actionable insights into customer behaviour, service gaps, and early risk indicators.

Sales and Service Productivity Tools

Automation bots supporting sales productivity and customer service performance analytics significantly enhanced team efficiency and responsiveness.

The tools improved visibility and control over field sales and collections activities through real-time tracking, centralised dashboards, and structured workflows. Enhanced planning and route optimisation strengthened resource utilisation, productivity, and execution discipline, while real-time operational insights enabled faster management intervention and decision-making. Mobile-first deployment also supported seamless adoption across frontline teams and strengthened process consistency through standardised tracking and reporting.

Collections Automation and Auto-cure

Auto-cure mechanisms and data-driven allocation logic led to lower tele-calling requirements and reduced external vendor dependency, improving cost efficiency without compromising recoveries.

This improved recovery effectiveness and delinquency management through intelligent case allocation, prioritisation, and real-time workflow visibility. Integrated digital tools and advanced analytics enhanced monitoring, productivity, trend analysis, and strategy refinement across tele-calling and field operations. Standardised workflows and automation reduced operational complexity, optimised channel usage, lowered costs, and ensured consistent recovery outcomes across teams and partners.

Looking Ahead

Axis Finance remains committed to competing on AI effectiveness rather than expenditure, adopting a pragmatic, value-led approach to technology deployment. By embedding intelligence across processes while retaining a 'human-in-the-loop' model, our technology initiatives continue to triple productivity, enhance customer experience, and preserve absolute credit discipline—positioning the Company for scalable, sustainable, and responsible growth.

Liability Overview

In a continuously evolving VUCA world, Axis Finance continues to maintain a diversified borrowing profile across capital markets & Term loans from banks. The Treasury team continues to optimise the cost and mix of borrowings and their underlying

MANAGEMENT DISCUSSION AND ANALYSIS

benchmarks through a broad base of lenders/investors including banks, financial institutions, mutual funds, pension funds, insurance companies and corporate treasuries. Sufficient liquidity buffer is built to support future growth.

In FY 2025-26, there was increased focus to raise long-term refinance facilities from financial institutions such as NABARD & SIDBI against MSME lending to support business growth.

Credit Ratings

Facility	CRISIL	India Ratings	CARE Ratings	Brickwork Ratings
Non-convertible Debenture	CRISIL AAA/STABLE	IND AAA/STABLE	CARE AAA/STABLE	NA
Principal-protected Market-linked Debentures	NA	NA	CARE PP-MLD AAA/Stable	NA
Subordinated Debt	CRISIL AAA/STABLE	IND AAA/STABLE	CARE AAA/STABLE	NA
Perpetual Debt	CRISIL AAA/STABLE	NA	CARE AAA/STABLE	BWR AAA/STABLE
Long-term Bank Loan	NA	IND AAA/STABLE	CARE AAA/STABLE	NA
Short-term Bank Loan	NA	IND A1+	CARE A1+	NA
Commercial Paper	CRISIL A1+	IND A1+	NA	NA
Commercial Paper (for Proprietary IPO investment)	CRISIL A1+	IND A1+	NA	NA

Financial Performance

Particulars	(₹ in Crore)		
	FY 2025-26	FY 2024-25	% change
Interest income	4,791.90	3,929.13	22%
Other income	254.28	171.51	48%
Total revenue	5,046.18	4,100.64	23%
Finance cost	2,867.25	2,433.09	18%
Employee benefit expenses	409.59	274.22	49%
Depreciation, amortisation and impairment	21.15	20.29	4%
Other expenses	233.11	172.70	35%
Total expenses	3,531.10	2,900.29	22%
Profit/loss before taxes and impairment	1,515.08	1,200.35	26%
Impairment of financial instruments	417.92	323.15	29%
Profit/loss before taxes	1,097.16	877.20	25%
Tax expenses	285.16	224.72	27%
Profit/loss for the period	812.00	652.47	24%
Other comprehensive income	18.90	(15.58)	-221%
Total comprehensive income	830.90	636.90	31%

Total revenue increased by 23% YoY (year-on-year) from ₹ 4,100.64 Crore in fiscal year 2025 to ₹ 5,046.18 Crore in fiscal year 2026. Interest income increased by 22% YoY from ₹ 3,929.13 Crore in fiscal year 2025 to ₹ 4,791.90 Crore in fiscal year 2026.

Total expenses increased by 22% from ₹ 2,900.29 Crore in fiscal year 2025 to ₹ 3,531.10 Crore in fiscal year 2026. The increase is mainly due to investments in building teams for newer products viz. Disha-HL, Shakti M-LAP, and MSME RBG, and creation of AFL ESOP policy. PAT increased by 24% YoY from ₹ 652.47 Crore in fiscal year 2025 to ₹ 812.00 Crore in fiscal year 2026.



Interest Income

(₹ in Crore)

Particulars	FY 2025-26	FY 2024-25
Interest on loans (at amortised cost)	4,629.45	3,793.16
Interest income from investments (at amortised cost)	128.85	104.90
Interest income from investments (FVTPL)	26.56	24.31
Interest on fixed deposits with banks	5.98	6.17
Interest on lease deposit	0.38	0.49
Other interest income	0.68	0.10
Total	4,791.90	3,929.13

Interest income constitutes 94.96% of total revenue and there is 22% increase YoY from ₹ 3,929.13 Crore in fiscal year 2025 to ₹ 4,791.90 Crore in fiscal year 2026.

Other Income

(₹ in Crore)

Particulars	FY 2025-26	FY 2024-25
Fees and commission Income	143.32	101.17
Recovery from write off	46.35	17.89
Net gain on fair value changes	25.77	26.07
Net gain/(loss) on derecognition of financial instruments under amortised cost category	35.63	19.53
Other income	3.21	6.84
Total	254.28	171.50

Other income constitutes 5.04% of total revenue and there is 48% increase YoY from ₹ 171.51 Crore in fiscal year 2025 to ₹ 254.28 Crore in fiscal year 2026. This is primarily driven by write-off recoveries, foreclosure income, and income on derecognition of financial instruments.

Finance Costs

(₹ in Crore)

Particulars	FY 2025-26	FY 2024-25
Interest on borrowings	1,527.87	1,228.00
Interest on debt securities	928.28	787.64
Discount on commercial paper	122.42	171.76
Interest on subordinated liabilities	271.14	228.48
Interest on lease liabilities	1.30	1.41
Other finance expense	16.24	15.71
Interest on income tax	-	0.09
Total	2,867.25	2,433.09

Despite the increase in on-book loan portfolio by 22%, the increase in interest on borrowings is 18% YoY from ₹ 2,433.09 Crore to ₹ 2,867.25 Crore. This is due to strategic shift in benchmarks linked to borrowings aided by repo rate cuts. There is an increase in borrowings in current year from ₹ 33,875.34 Crore in fiscal year 2025 to ₹ 41,745.58 Crore in fiscal year 2026.

Employee Benefit Expenses

Particulars	(₹ in Crore)	
	FY 2025-26	FY 2024-25
Salaries and wages	356.64	252.01
Employee stock option	21.34	6.65
Contribution to provident and other funds	12.57	8.72
Gratuity expenses	9.86	1.86
Staff welfare expenses	9.18	4.98
Total	409.59	274.22

Employee benefit expenses increased by 49% YoY from ₹ 274.22 Crore to ₹ 409.59 Crore. This is mainly due to increase in investments in employees for new products viz. Disha Home Loans and MSME RBG, and creation of AFL ESOP policy.

Depreciation, Amortisation and Impairment and Other Expenses

Particulars	(₹ in Crore)	
	FY 2025-26	FY 2024-25
Depreciation, amortisation and impairment	21.15	20.29
Other expenses	233.11	172.70

There is an increase in depreciation, amortisation and impairment expenses by 4% compared to last year.

Other Expenses

Other expenses comprises mainly Professional fees, Travelling & Conveyance, Collection agency payout expenses, Investments made in IT enhancements, Business Promotion and Subscription Charges. Other expenses increased by 35% YoY from ₹ 172.70 Crore to ₹ 233.11 Crore mainly on account of higher business volume.

Profit After Tax

Profit After Tax increased by 24% YoY from ₹ 652.47 Crore in fiscal year 2025 to ₹ 812.00 Crore in fiscal year 2026.

Balance Sheet Parameters

Particulars	(₹ in Crore)		
	FY 2025-26	FY 2024-25	% Change
Financial Assets			
Cash and cash equivalents	1,244.16	801.25	55%
Derivative financial instruments	247.65	0.00	N.A.
Receivables	1.67	0.40	318%
Loans	45,124.85	36,752.76	23%
Investments	1,444.58	1534.13	(6%)
Other financial assets	129.42	192.41	(33%)
Subtotal Financial Assets	48,192.31	39,280.95	23%
Non-Financial Assets			
Current tax assets (net)	37.67	34.42	9%
Deferred tax assets (net)	165.52	143.95	15%
Property, plant and equipment	19.30	11.59	67%
Intangible assets under development	1.57	0.89	76%
Other intangible assets	19.96	17.24	16%

(₹ in Crore)

Particulars	FY 2025-26	FY 2024-25	% Change
Right-of-use assets	16.46	13.50	22%
Other non-financial assets	11.77	14.33	(18%)
Subtotal Non-Financial Assets	272.26	235.91	15%
Total Assets	48,464.57	39,516.87	23%

Total assets increased by 23% to ₹ 48,464.57 Crore as on March 31, 2026 from ₹ 39,516.87 Crore on March 31, 2025. Out of Total assets, loan assets constitutes around 93% and there is growth in loan assets by 23%. Asset under management for current year is ₹ 48,175 Crore and asset under finance for the current year is ₹ 46,185 Crore.

Asset Quality Parameters

- The Company's GNPA stood at 0.94% in FY 2025-26 vs 0.87% in FY 2024-25
- The Company's NNPA stood at 0.48% in FY 2025-26 vs 0.44% in FY 2024-25
- Adjusting for the one-time catch-up provision (upper layer impact) in FY 2025-26 of ₹36.26 Crore, impairment of financial assets would have been at ₹381.66 Crore at 0.89%, lower than FY 2024-25 of ₹323.2 Crore at 0.92%.

Impairment of Financial Assets	FY 2025-26 (₹ in Crore)	FY 2024-25 (₹ in Crore)	Remarks
Stage 1 & 2	84.9	74.8	Stage 1 & 2 provision improved due to recovery in a Stage 2 account
Additional provision due to impact of RBI Regulations (Stage 1 & 2)	36.3		Incremental provision to comply with RBI Circular on Upper Layer norms and Master Direction on Project Finance
Stage 3	296.8	248.3	
Reported in LODR - Total	417.9	323.2	

Liabilities and Equity

(₹ in Crore)

Particulars	FY 2025-26	FY 2024-25	% Change
Financial Liabilities			
Derivative financial instruments	0.00	14.15	N.A.
Payables			
Trade payables			
Total outstanding dues to micro and small enterprises	0.00	0.00	N.A.
Total outstanding dues of creditors other than micro and small enterprises	0.50	0.84	(40%)
Other Payables	-	-	
Total outstanding dues to micro and small enterprises	5.18	3.24	60%
Total outstanding dues of creditors other than micro and small enterprises	80.94	46.81	73%
Debt securities	13,361.56	12,668.23	5%
Borrowings (Other than debt securities)	24,680.50	17,971.71	37%
Subordinated liabilities	3,703.52	3,235.41	14%
Lease liabilities	17.25	14.41	20%
Other financial liabilities	353.66	191.01	85%
Sub-total - Financial Liabilities	42,203.11	34,145.82	24%

MANAGEMENT DISCUSSION AND ANALYSIS

(₹ in Crore)

Particulars	FY 2025-26	FY 2024-25	% Change
Non-Financial liabilities			
Current tax liabilities (net)	27.71	4.83	474%
Provisions	57.28	43.95	30%
Other non-financial liabilities	22.57	18.19	24%
Sub-total – Non-Financial Liabilities	107.56	66.97	61%
Total Liabilities	42,310.67	34,212.79	24%
Equity			
Equity share capital	693.57	693.57	-
Other equity	5,460.34	4,610.50	18%
Total Equity	6,153.91	5,304.07	16%
Total Liabilities and Equity	48,464.57	39,516.87	23%

Total liabilities comprise financial and non-financial liabilities. In the current year, total liabilities increased by 24% to ₹ 42,310.67 Crore from ₹ 34,212.79 Crore. Financial liabilities comprise 99.75% of total liabilities and there is an increase of 24% in financial liabilities in the current year, from ₹ 34,145.82 Crore in Fiscal year 2025 to ₹ 42,203.11 Crore.

Key Ratios

Particulars	FY 2025-26	FY 2024-25
Yield	11.22%	11.20%
Cost of Funds	6.71%	6.94%
NIM	4.51%	4.26%
Opex	1.55%	1.32%
ECL	0.98%	0.92%
ECL Normalised	0.89%	0.92%
ROA	1.90%	1.86%
ROE	14.23%	14.16%
GNPA	0.94%	0.87%
NNPA	0.48%	0.44%

SWOT Analysis

Strength	Weaknesses	Opportunities	Threats
<p>Strong Parentage Access to strong brand recall through Axis Bank and the One Axis ecosystem.</p> <p>Innovative Human Capital A mix of seasoned and young resources. Strong governance and independent assurance functions. Robust INFOSEC policy and process.</p> <p>Diversified Portfolio with Growing Retail & MSME The retail and MSME portfolio has exhibited strong growth and now constitutes 70% of the AUM.</p>	<p>Retail Product Offering Limited basket of retail products offered to the customer base given low vintage.</p> <p>Dependency on channel partners for business originations, compared to the strong internal customer base of the competition given their vintage.</p>	<p>Leveraging AI at Scale Axis Finance is investing on increased use of AI and digital lending to enhance credit decisioning, reduce TAT and achieving cost efficient processes. It is also leveraging on the co-lending opportunity to optimise capital usage. It has opportunities to build in existing segments and enter new geographies in the RuSu markets.</p> <p>Digital Ecosystem Axis Finance, with its robust digital capabilities, can leverage the Uniform Lending Interface by the RBI and on-board more digital partners to widen our product offerings.</p>	<p>High Competition Heightened competition intensity across the business segments.</p> <p>Macro-economic Risks Geopolitical tensions and broader economic events can create systemic vulnerabilities, impacting market stability and liquidity conditions.</p>

Risk Management

AFL operates in a dynamic financial services environment where risk management, being the most critical pillar required for various aspects related to long-term sustainable growth, business continuity and resilience, needs to be comprehensive and constantly evolving in line with the business profile of AFL. Inherent to the business profile, AFL is exposed to a gamut of risks in its ongoing activities. Within the organisation, AFL has defined and incorporated a comprehensive risk management framework to lay out controls to prudently manage different risks to ensure resilience and sustainable growth. Further in line with the RBI Circular dated December 5, 2025—Commercial Banks—Undertaking of Financial Services Directions, 2025—the risk management framework of AFL has been strengthened and aligned to regulatory expectations in respect to that of Upper Layer NBFCs.

From a governance perspective, the Board of Directors is the apex governance body on all risk management matters and oversees the establishment, monitoring and integration of the risk management framework within the organisation. The Board exercises its oversight through the Risk Management Committee of the Board. The Risk Management Committee oversees the implementation of the desired risk management framework in AFL. This framework incorporates a Risk Appetite Statement approved by the Risk Management Committee that covers both Financial and Non-financial risk guardrails. The Risk Appetite Statement captures different parameters related to capital adequacy, portfolio concentration and quality matrices, liquidity, interest rate risk profile, as well as different operational aspects, required to be monitored at specified frequencies at the Board and Executive level. AFL has also established exposure concentration limits in various KPIs like product type, geography, unsecured capital market, commercial real estate, exposure to NBFCs, etc., that are reviewed periodically as a part of Product-level Risk Guardrails.

AFL adopts the three lines of defence model for risk management. The first line of defence is formed by business units who are the 'owners' of risk and are directly engaged with customers as representatives of AFL. The Risk and the Compliance functions, forming the second line of defence, are independently responsible for ensuring day-to-day implementation and monitoring of various aspects related to the risk and compliance framework in AFL. The internal audit function forms the third line of defence and is tasked with assuring the Board regarding the effectiveness of risk policies and processes across AFL.

Risks	Mitigation Measures
Credit Risk	<ul style="list-style-type: none"> • Policies and operating guidelines in place for all loan products • In-depth due diligence of loan proposals and implementation of effective gating criteria to enhance credit risk assessment accuracy and eliminate high-risk applications at the initial screening stage • Committee-based credit decision-making for Corporate Lending business and a clearly defined delegation matrix for MSME & Retail business • Internal rating of Corporate & MSME Lending proposals (>₹7 Crore) through rating tool and bureau scorecards for retail business • Data-backed credit policy interventions • Adoption of various Application and Collection Scorecards to make acquisition and collection efforts more efficient • Early Warning Systems (EWS) for proactive Retail, MSME and Corporate Lending Portfolio Monitoring • Thematic assessment of the portfolio being carried out to ascertain the impact of any specific event • Adherence to Risk Based Pricing, charging the 'right' price • Market Studies like Peer benchmarking and Reject Inference analysis conducted for Retail products to strengthen Policy design framework and identify growth opportunities • Periodical review and renewal of Delegation of Approving Authority conducted across Retail products • Forward-looking ECL estimates • Portfolio Stress Testing • Post Approval Review (PAR) process implemented to assess adherence to Credit Policy and Process guidelines • Regular trainings conducted for all stakeholders regarding Policy & Process modifications

Risks	Mitigation Measures
Liquidity Risk	<ul style="list-style-type: none"> Well-diversified funding mix of market and bank borrowings Additional funding sources like refinancing being tapped to ensure sufficient funding The Company maintains unutilised bank lines as a liquidity backstop and maintains Liquidity Coverage Ratio (LCR) well above the regulatory norm Prudent ALM management: Liquidity gaps monitored by the ALCO and RMC Monitoring of various RBI-prescribed liquidity ratios that act as EWS for liquidity risk ALM system for liquidity risk management Liquidity stress testing and contingency funding plan testing
Market Risk	<ul style="list-style-type: none"> Interest rate risk is managed by way of Earnings at Risk (EAR) limits across time buckets along with monitoring of bucket-wise mismatches in the Interest Rate Sensitivity Statement Market risk in the trading book is managed by way of stop-loss Rate Scan process applied to all treasury-related transactions
Operational Risk	<ul style="list-style-type: none"> Operational Risk Framework aligned with RBI Guidance Note on Operational Risk Management Operational Risk Assessment to strengthen internal controls through RCSA exercises Business Continuity Plan in place to ensure business continuity related to location, people, process and systems Third-party risk management, including management of outsourcing risk through monitoring and internal controls. Periodical monitoring of High Frequency Data Reports (HFDR) to ensure First Time Right culture and data hygiene Periodical BCM testing being carried out to ensure operational resilience Enhanced vendor management system in place to keep track of all aspects related to vendor onboarding and vendor monitoring
Fraud Risk	<ul style="list-style-type: none"> Appropriate checks embedded in the loan underwriting processes to prevent fraud Policies and operating guidelines in place for the management of fraud incidents Review, monitoring and analysis of frauds to ensure key learnings are disseminated to prevent recurrence Early Warning Signals related to fraud were introduced as a preventive framework Fraud Vulnerability Assessment exercises being carried out periodically Continuous and ongoing fraud risk assessments across products
Cyber and InfoSec Risk	<ul style="list-style-type: none"> Information and Cyber Security (IS & CS) Risk identification IS & CS controls implementation and monitoring based on risk perception DLP and endpoint security controls Management of application/infra/network security Continuous vulnerability assessment of infrastructure and applications Cybersecurity and InfoSec awareness programmes Resilience testing and awareness Third-party IS risk management
Enterprise Risk	<ul style="list-style-type: none"> Annual preparation of the Internal Capital Adequacy Assessment Process (ICAAP) Periodical assessment of Reputational Risk, if any, likely to impact AFL Detailed framework to address Model Risk in place

Human Resources

Building Leadership Depth, Capability and Belonging at Scale

Human Capital Overview

As on March 31, 2026, Axis Finance employed 2,257 employees across its businesses and enabling functions. During the year, 1,144 new employees were hired, while stable attrition was observed, reflecting improving stability, engagement, and career continuity. The workforce has a balanced mix of experience, energy, and future readiness. Axis Finance has been certified as a Great Place to Work for the third consecutive year, reflecting sustained trust, pride, and engagement across the organisation.



The workforce is spread across 1,100+ sourcing locations and 72 branches. Each Branch has a designated Branch Head or Branch In-charge, ensuring leadership presence and accountability at the last mile. This branch-led structure enables faster decision-making, stronger employee support, and closer alignment between business outcomes and people experiences.

Values-led Culture and Ethical Foundation

Axis Finance's culture is anchored in its core values of Ownership, Teamwork, Transparency, Ethics, and Customer Centricity, which guide decision-making at all levels. These values are not positioned as aspirational statements but are translated into everyday behaviours through leadership role-modelling, structured communication, and formal reinforcement mechanisms.

Values are embedded into SOPs, performance discussions, leadership reviews, and the Rewards and Recognition framework. AFL maintains a zero-tolerance approach to violations of ethics and the Code of Conduct, reinforcing a workplace founded on fairness, respect, and accountability. Speak-up mechanisms, including ethics and whistle-blower channels, ensure that integrity is protected even under performance pressure.

To ensure culture remains a managed outcome rather than an assumed one, AFL periodically measures employee perception through tools such as the Great Place to Work survey and the Values Voices survey. Results are reviewed by senior leadership to identify areas of strength and focus. Interventions such as Values Month, leadership dialogues, and functional deep-dives are direct responses to these insights, ensuring a continuous feedback-action-measurement loop.

Leadership Connects, Townhalls and Branch Immersion

The Leadership Team's open communication and transparency is a defining feature of the employee experience at Axis Finance. Quarterly townhalls led by the MD&CEO serve as key alignment forums, where business performance, strategic priorities, regulatory developments, and people initiatives are shared transparently. These sessions include open Q&A, allowing employees across roles and geographies to engage directly with senior leadership.

Beyond structured forums, the MD & CEO and senior leadership team travel extensively to branches, locations and regional offices. These visits are immersive in nature—leaders spend time with frontline teams, Branch Heads, and Branch In-charges to understand operational realities, review processes, and listen to employee concerns first-hand. Many operational improvements, faster issue resolutions, and morale-building moments have emerged from these visits, reinforcing trust and credibility.

Frontline employees are recognised as the face of the organisation for customers and partners. Leadership visits to branches are therefore intentional and frequent, aimed at reinforcing service quality, compliance discipline, and employee confidence. This consistent leadership presence helps translate strategy into action, strengthens trust, and creates a sense of pride and ownership among branch teams. Together, these practices ensure leadership remains visible, approachable, and connected to the organisation's pulse.

FINDUCT Mentorship Programme—A Disciplined Onboarding Journey

Axis Finance believes that the first 60 days of an employee's journey shape long-term performance, confidence, and retention. The FINDUCT Mentorship Programme has been designed as a structured, enterprise-wide onboarding and early capability framework.

Every new joiner experiences Day-1 readiness—laptops, ID cards, system access, and essential role information are arranged before joining. This signals organisational preparedness and respect for the employee experience.

FINDUCT follows the 70-20-10 learning framework, blending classroom learning, on-the-job exposure, and continuous feedback. Functional induction programmes are customised by role and business line, covering regulatory expectations, functional processes, customer interactions, and behavioural norms.

Each new employee is supported through a buddy programme, where an experienced colleague helps them navigate systems, policies, and informal ways of working. This support accelerates settling in and reduces early friction. In parallel, the Supervisor-as-Mentor model ensures managers actively guide new joiners through regular check-ins, role clarity conversations, and early feedback.

Over the year, FINDUCT covered a large cohort of 1,144 new employees across Retail, MSME, SME, and Corporate Lending and enabling functions, significantly improving early productivity, confidence, and cultural assimilation.

Performance Management and Internal Mobility

Performance at AFL is defined not only by growth outcomes but equally by adherence to risk discipline, regulatory compliance, and customer fairness. The Company follows a structured mid-year and annual performance management framework that aligns individual objectives with organisational priorities.

Performance reviews are supported by transparent scorecards enabling employees to track progress, take ownership of outcomes, and course-correct in a timely manner. External recruitment is undertaken selectively to supplement specialised capabilities, ensuring that growth is supported without compromising cultural alignment.

The Company actively encourages career movement through ASPRIRE—Internal Job Posting (IJP) programme, enabling employees to explore cross-functional and cross-location roles. This strengthens internal pipelines, improves retention, and builds enterprise-wide capability.

Health, Safety and Well-being

Employee well-being is viewed as a long-term sustainability imperative at AFL. The Company provides comprehensive health and life insurance coverage, supported by a dedicated medical emergency helpline that offers timely assistance to employees and their families. A benevolent fund further strengthens this safety net by providing additional support to dependents in the event of an unfortunate demise.

AFL has also implemented a Business Continuity Management System (BCMS) to safeguard employees and operations against unforeseen disruptions. Periodic fire safety drills and awareness programmes were conducted across locations to ensure preparedness.

Recognising the importance of balance, AFL discourages extended working hours and promotes optimal use of work time. Flexible roster-based arrangements enable employees to work from offices closer to home, supporting productivity while reducing commute-related stress.

Employee Support—a structured grievance redressal mechanism gives access to employees to share and resolve all their queries and concerns, reinforcing trust and transparency.

Diversity, Inclusion and Safe Workplace Practices

Axis Finance is committed to fostering an inclusive workplace where diversity is respected, equity is practised, and every employee feels safe, supported, and empowered to contribute meaningfully. The Company's approach to diversity and inclusion is rooted in dignity, safety, and fairness, with focused attention on creating a supportive environment for women employees. Practical initiatives such as cab reimbursement for women employees working beyond 8:00 pm have been instituted to ensure safety and comfort during late working hours, reinforcing the Company's commitment to care beyond formal policies. These measures are complemented by flexible work arrangements, leadership accessibility, and a strong zero-tolerance stance on harassment, supported through a robust POSH framework and regular awareness programmes. Together, these practices align with the Great Place to Work 'For All' philosophy, ensuring that inclusion is experienced consistently across roles and locations, while also contributing to AFL's broader ESG commitment of building a sustainable, responsible, and people-centric organisation.

Learning and Capability Development

Learning at Axis Finance is positioned as a business and risk prevention mechanism. In a regulated lending environment, capability gaps are viewed as potential risk events. Learning interventions are therefore designed with a clear preventive intent—strengthening judgement, improving execution quality, and reducing dependence on post-facto controls.

Regulatory and mandatory annual training ensures 100% coverage on AML, KYC, POSH, Code of Conduct, Information Security, and Business Continuity Management Systems (BCMS), embedding compliance discipline across roles and geographies.



Annual Skill Gap Analyses are conducted across functions to identify capability gaps. Based on these insights, targeted programmes are delivered, strengthening Compliance, Audit, and Customer Service effectiveness. These interventions directly improve execution quality, reduce repeat audit findings, and strengthen customer outcomes.

Axis Finance runs a tiered leadership development framework. Executive Coaching and Mentoring programmes for Senior Leadership, Strengths-based Leadership Coaching for SVPs/EVPs focuses on leading through strengths and navigating complexity. The 1000 Change Leaders Programme equips Vice Presidents to lead enterprise-level change responsibly. The High Performing Managers Programme strengthens coaching and constructive feedback capability, and execution discipline for AVP/DVP/SM cadres, while the High Performing Professionals Programme builds foundational leadership and professional skills for early-career talent.

Axis Finance helps employees upskill through recognised universities and institutes via its Professional Development & Upskilling Policy, enabling employees to reimburse up to ₹ 1 Lakh course fees twice during their tenure.

During the year, ~53% higher learning hours were delivered above last year, via 450+ training sessions conducted by external trainers as well as 50+ internal trainers, reinforcing continuous learning across the organisation.

Employee Engagement

Employee engagement at Axis Finance is designed as a structured system to build belonging, humanise leadership, and sustain energy in a high-growth environment.

Initiatives include regional festival celebrations with strong leadership presence, Diwali, Navratri Garbha, Dusshera, Christmas, Quarterly Movie Nights, Indoor Sports equipment at all branches, Outdoor Sports Clubs at all branches, wellness workshops, and the Bring Your Kids to Office programme. These initiatives are intentionally inclusive of branch teams, corporate teams, and vendor staff, reinforcing the 'One AFL' identity.

Well-being practices such as mandatory leave blocks, flexible rosters, health check-up camps, wellness webinars, mental health counselling, and safety arrangements for late working hours reinforce the belief that employee well-being is essential to sustained performance and risk management.

Competitive Compensation, Benefits and Financial Well-being

AFL's compensation philosophy is designed to attract, motivate, and retain talent while remaining aligned with market benchmarks and regulatory expectations. Flexible compensation structures allow employees to customise benefits based on individual needs.

Employee-centric initiatives such as Home for All and Vehicle for All support long-term financial well-being. Under the staff loan policy, employees can avail of home loans at subsidised rates, two-wheeler loans, or company-owned cars based on grade and eligibility. As on March 31, 2026, 540 active staff home loans were outstanding.

Employee Stock Option Plan (ESOP 2025)

The ESOP 2025 has been introduced as part of the Company's long-term rewards and talent retention strategy. The plan recognises sustained contribution, enables employees to participate in long-term value creation, strengthens a culture of ownership, and supports retention of critical and high-performing talent.

Beyond reward, ESOP 2025 is designed to encourage long-term decision-making and reinforce leadership continuity as the organisation continues to scale.

Industry Recognition and External Validation

Axis Finance has been certified as a Great Place to Work for the third consecutive year, reflecting sustained trust, pride, and engagement across the organisation.

This year, AFL has won the Top 50 Happy Places to Work For award by World HRD Congress and Top 50 India's Best Workplaces in BFSI by Great Place to Work.

The Company also received the Brandon Hall Group Award for Best Candidate Experience, recognising its fast, transparent, and respectful hiring practices. The award validates AFL's belief that employee experience begins well before Day 1—through timely feedback, clarity of communication, structured onboarding, and early support mechanisms such as Day 1 readiness, buddying, and mentoring.

Closing Perspective

Maximising human potential at Axis Finance is not a collection of isolated programmes—it is a For All experience embedded in the way we work every day. The system integrates fairness, belonging, and uniqueness into predictable rhythms and human touchpoints, ensuring that every employee—regardless of role, location, or background—can thrive.

At Axis Finance, the principles we quote are not aspirational—they are operational. The Company culture is experienced in predictable rhythms (goal cascades → mid-year → annual appraisals), heard in leadership transparency (town halls, MD Desk), seen in everyday fairness, and felt in care (insurance, counselling, mandatory rest, flexible work).

Through systems that create trust, the Company treats every employee, in every role, everywhere, as a member who can be primed to reach their highest potential.

Internal Control Systems and Adequacy

Axis Finance Limited (AFL) has a robust internal control system, driven by various procedures and policies which are reviewed and tested periodically, across all processes, units and functions. The risk and credit teams have an eye on the market; they have inbuilt processes to identify the existing and probable risks and to mitigate the identified risks. Senior management also monitors the mitigating measures. The Company has various committees, including the Risk Management Committee and the Asset and Liability Committee, with participation from various functions, designed to review and oversee critical aspects of the Company's operations.

The Finance and Accounts team conducts the testing of the design and efficiency of internal controls over financial reporting and timely remediation of identified control deficiencies, if any. Further, the Company monitors Information and Technology General Controls (ITGC) periodically. The Company has implemented required controls through systems and processes, ensuring a robust control framework.

In line with the RBI's guidelines on risk-based internal audit (RBIA), AFL has implemented a RBIA policy, designed after factoring in regulatory guidelines and Axis Group's internal procedures. The policy has a well-defined architecture for conducting Risk-based Internal Audit across all functions.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company by conducting the RBIA's as per the annual audit plan and also Concurrent Audits, thereby ensuring adherence with operating procedures and policies at all company locations.

The internal audit plan is developed based on the residual risk profile of the organisation's business, operations and support functions. The audit plan is approved by the Audit Committee of the Board, which regularly reviews the status of the audit plan and performance of the internal audit department and provides directions wherever required. Further, based on the internal audit reports, process owners undertake corrective action with respect to policies and procedures in their respective areas, thereby strengthening the internal controls. Significant audit observations, emanating from internal audit and corrective actions thereon, are presented to the Audit Committee of the Board every quarter.

The Risk department also performs the Risk and Controls Self-Assessment (RCSA), and the Compliance Department undertakes compliance testing, respectively, of the controls and operating procedures based on an approved RCSA and compliance testing plan during the financial year.

Cautionary Statements

Certain statements in this report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking within the meaning of applicable securities, laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied.



Annexure 5

Certificate on Corporate Governance

[(Pursuant to Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)]

To,

Axis Finance Limited

Axis House, Ground Floor,
Wadia International Centre, Worli,
Mumbai – 400025

We have examined the compliance of conditions of Corporate Governance by Axis Finance Limited (hereinafter referred as “Company”) for the financial year ended March 31, 2026 as prescribed under Regulations 62B to 62Q (read with Regulation 23 and 24A) and para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”).

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For JPAT & Co.
(Practicing Company Secretaries)

sd/-

Prity Adwani

Partner

FCS No.: F11836

CP No.: 27646

PR No.: 7767/2026

UDIN: F011836H000126082

Place: Pune

Date: April 17, 2026

AXIS FINANCE LIMITED

CIN: U65921MH1995PLC212675

Reg. Office: Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025

Tel No.: 022 – 2425 2525; Fax No.: 022 – 4325 3000

E-mail ID: corporate.secretarial@axisfinance.in; Website: www.axisfinance.in

Notice of 31st Annual General Meeting

NOTICE is hereby given that the 31st Annual General Meeting of the members of **Axis Finance Limited** will be held on **Thursday, June 18, 2026 at 02:00 p.m.** at **Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025**, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements for the year ended March 31, 2026 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Amitabh Chaudhry (DIN: 00531120), who retires by rotation and being eligible, offers himself for re-appointment.

Special business:

3. To consider and approve increase in borrowing limits of the Company up to ₹ 95,000 Crore

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard, consent of the members be and is hereby accorded under the provisions of section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Master Directions issued by Reserve Bank of India from time to time (including maintenance of Capital Adequacy Ratio, as stipulated) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules framed thereunder (including any amendment(s), modifications, amendments, re-enactments thereto to the extent notified) to the Board (hereinafter referred to as ‘the Board’ which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution), to borrow such sums of money (including by way of debt issuance of Tier II capital, perpetual bond, Commercial Paper in the form of usance promissory note, Non-Convertible Debentures secured or unsecured, Bank Lines, TREPS, External Commercial Borrowings or any other source of borrowings from time to time as may be required for the purpose of business of the Company), in excess of the aggregate of paid-up capital of the Company, free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium subject to the condition that the total amount of such borrowing outstanding at any given point of time together with the money already borrowed (apart from temporary loans obtained by the Company from its Bankers / other entities in ordinary course of business) shall not at any time exceed the limit of ₹ 95,000 Crore (Rupees Ninety-Five Thousand Crore only);

RESOLVED FURTHER THAT the Board or any person authorized by the Board of the Company be and is hereby severally authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory / regulatory authorities with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and with a further power to delegate any one or more of the powers conferred upon by this resolution, to any officer(s) or executive(s) of the Company as they may deem fit and proper.”

4. To consider and approve the increase in limits for creation of charge on the assets of the Company up to an amount of ₹ 95,000 Crore

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard, consent of the members be and is hereby accorded under the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), and the relevant provisions of the Articles of Association of the Company to the Board of Directors (hereinafter referred to as 'the Board' which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to create such charge / mortgage / pledge / hypothecation / security / lien in addition to existing charge / mortgage / pledge / hypothecation / security / lien, created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future in favor of the banks / financial institutions / body corporates / companies / any other entities / persons, other investing agencies and trustees for the holders of debentures / bonds / other instruments in such form and manner as the Board may deem fit, for the borrowings of the Company up to an amount of ₹ 95,000 Crore (Rupees Ninety-Five Thousand Crore only);

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank exclusive / prior / pari-passu / subsequent with/to the hypothecation / mortgages and / or charges already created or to be created by the company as may be agreed to between the concerned parties;

RESOLVED FURTHER THAT the Board or any person authorized by the Board of the Company be and is hereby severally authorised to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory / regulatory authorities with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and with a further power to delegate any one or more of the powers conferred upon by this resolution, to any officer(s) or executive(s) of the Company as they may deem fit and proper."

5. To consider and approve the issuance of Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard, and pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 read with the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities), Regulations, 2021, Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023 including the other circulars and clarifications issued by the Reserve Bank of India (RBI) as applicable to the Non-Banking Financial Companies (NBFC's) and the relevant provisions of the Memorandum of Association and the Articles of Association of the Company and such other provisions of law as may be applicable (including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded to the Board or the Committee of the Directors or Debentures Allotment Committee (hereinafter referred to as 'the Board' which term shall include Board's duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) to raise funds time to time by way of making offer or invitation for subscription of secured/unsecured non-convertible debentures, subordinated debentures, bonds, perpetual debentures or any other debt securities (excluding Commercial paper) (herein after to be referred as 'Debentures') up to ₹ 36,000 Crore (Rupees Thirty-Six Thousand Crore only) in one or more series / tranches to such investors who is eligible to subscribe the Debentures as prescribed under the Act or other applicable laws, rules and regulations and on such other terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company;

RESOLVED FURTHER THAT the Board or any person authorized by the Board of the Company be and is hereby severally authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory / regulatory authorities with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and with a further power to delegate any one or more of the powers conferred upon by this resolution, to any officer(s) or executive(s) of the Company as they may deem fit and proper.”

6. To consider and approve the selling, assignment, securitization under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore during a financial year

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** approval of the members be and is hereby accorded under the terms of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules made thereunder (including any amendment, modification, variation or re-enactment thereof) ('the Act'), Master Directions including circulars, notifications issued by the Reserve Bank of India, the applicable provisions of the Memorandum of Association and the Articles of Association of the Company and all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications read with the Transfer of Loan Exposures Policy adopted by the Company, to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall deemed to include any Committee(s) of the Directors / of Executives constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) to sell / assign / securitize present and /or future receivables / book debts of the Company to such entities as may be identified from time to time in such form and manner in such form and manner and upon such terms and conditions as may be deemed fit, such that the aggregate amount of such sale / assignment / securitization transactions shall not exceed ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore only) during a financial year;

RESOLVED FURTHER THAT the Board is hereby authorized to delegate the powers given in the aforesaid resolution to the Committee of Executives or Committee of Directors or any other Committee constituted by them to approve the sell / assign / securitize substantial assets including present and /or future receivables / book debts of the Company in favor of banks / financial institutions, other investing agencies, Asset Reconstruction Companies and trustees within the said limits AND THAT to authorize various officials of the Company for executing, signing and delivering all the deeds, agreements, power of attorney, applications and any other documents as may be required in this regard with a further power to delegate any one or more of the powers conferred upon by this resolution, to any officer(s) or executive(s) of the Company as they may deem fit and proper.”

7. To consider and approve the increase in the Authorised Share Capital and consequential amendment in the Memorandum of Association and Articles of Association of the Company

To consider and if thought fit to pass the following resolution, with or without modification, as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of sections 13, 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force), and in accordance with the Articles of Association of the Company, the consent of the Members be and is hereby accorded to increase the Authorised Share Capital of the Company to ₹ 1,500,00,00,000/- (Rupees One Thousand Five Hundred Crore only) divided into 150,00,00,000 (One Hundred and Fifty Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each;

RESOLVED FURTHER THAT consequent upon the increase in the Authorised Share Capital of the Company, Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted as under:

“V. The Authorised Share Capital of the Company is ₹ 1,500,00,00,000/- (Rupees One Thousand and Five Hundred Crore Only) divided into 150,00,00,000 (One Hundred and Fifty Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each with the rights, privileges and conditions attaching thereto as are provided by the regulation of the Company for the time being. The Company has power from time to time to increase or reduce its capital and to divide the shares in the original or increased capital for the time into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determine by or in accordance with the regulations of the company and to vary, modify or abrogate

any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Regulations of the company for the time being.”

RESOLVED FURTHER THAT consequent upon the increase in the Authorised Share Capital of the Company, Clause 3 (1) of the Articles of Association of the Company be and is hereby altered and substituted as under:

3. (1) The Authorised Share Capital of the Company is ₹ 1,500,00,00,000/- (Rupees One Thousand Five Hundred Crore Only) divided into 150,00,00,000 (One Hundred Fifty Crore only) Equity Shares of ₹ 10/- (Rupees Ten each only) each subject to the provisions of the Act and these Articles, Shares (whether forming part of the original Capital or of any increased Capital of the Company) and whether or not classified may be issued either with the sanction of the Company in General Meeting or by the Board, as the case may be, with such rights and privileges annexed thereto and upon such terms and conditions, as by the General Meeting, or as the case may be, by the Board, sanctioning the issue of such Shares, be directed; and, if no such direction be given, and in all other cases, as the Board shall determine, and in particular such Shares may be issued with a preferential or qualified rights as to dividends and with special or without any right of voting and in the distribution of assets of the Company, without prejudice, however, to any rights and privileges already conferred on the holders of any Shares or class of Shares, for the time being, issued by the Company and any Preference Shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed subject to provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which term shall deem to include any of its duly constituted Committee) or any of the officer / executive / representative and / or any other person so authorized by the Board, be authorized on behalf of the Company to sign, execute and deliver all applications, forms, agreements and other documents including filing of e-form(s) and / or any other documents with the relevant authorities, to do all such acts, deeds and things as may be required, to settle any questions, difficulties or doubts that may arise in this regard, and to accede to such modifications to the above-mentioned resolution as suggested by the relevant authorities.”

8. To consider and approve the revision in remuneration of Sai Giridhar, Managing Director & CEO of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for increase in the remuneration to be paid to Sai Giridhar (DIN: 10757486), Managing Director & CEO, details as mentioned herein below:

Sr. No.	Parameters	Remarks
1.	Fixed Pay (FY 2026-27)	₹ 3,05,20,000/-
2.	Variable Pay (FY 2025-26)	₹ 1,45,00,000/-
3.	ESOP Options (FY 2025-26)	9,11,116
4.	ESOP Value (FY 2025-26)	₹ 4,50,00,000/-

RESOLVED FURTHER THAT save and except the revision in remuneration as aforesaid all other terms of the conditions of his employment shall remain unchanged;

RESOLVED FURTHER THAT terms and conditions of appointment and remuneration of Sai Giridhar, Managing Director & CEO be varied / altered / revised in such manner as may be deemed fit by Nomination and Remuneration Committee and / or Board of Directors of the Company from time to time;

RESOLVED FURTHER THAT where in any financial year during the tenure of the said Managing Director & CEO, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration;

RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary and / or Chief Financial Officer of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory / regulatory authorities with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit in this regard.”

9. To consider and approve the revision in remuneration of Vishal Sharan, Whole-Time Director for FY 2027

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for increase in the overall remuneration to be paid to Vishal Sharan (DIN: 11056592), Whole-Time Director of the Company, details as mentioned herein below:

Sr. No.	Parameters	Remarks
1.	Fixed Pay (FY 2026-27)	₹ 2,08,26,400/-
2.	Variable Pay (FY 2025-26)	₹ 88,00,000/-
3.	ESOP Options (FY 2025-26)	4,04,940
4.	ESOP Value (FY 2025-26)	₹ 2,00,00,000/-

RESOLVED FURTHER THAT save and except the revision in remuneration as aforesaid all other terms of the conditions of his employment shall remain unchanged;

RESOLVED FURTHER THAT terms and conditions of appointment and remuneration of Vishal Sharan, Whole-Time Director be varied / altered / revised in such manner as may be deemed fit by Nomination and Remuneration Committee and / or Board of Directors of the Company from time to time;

RESOLVED FURTHER THAT where in any financial year during the tenure of the said Whole-Time Director, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration;

RESOLVED FURTHER THAT the Board of Directors and / or Company Secretary and / or Chief Financial Officer of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory / regulatory authorities with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit in this regard.”

**By Order of the Board of Directors
For Axis Finance Limited**

Date: May 22, 2026
Place: Mumbai

sd/-
Rajneesh Kumar
Company Secretary
Membership No.: A31230



Notes:

1. The relevant Explanatory Statements pursuant to section 102 of the Companies Act, 2013 ('the Act') in respect of the Special Business as stated above is annexed hereto.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the Annual General Meeting ('AGM') is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. The instrument appointing a proxy enclosed as **Annexure A**, should however be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution / Corporate Authorization authorizing their representative to attend and vote on their behalf at the Meeting.
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays between 11.00 a.m. and 01.00 p.m.
5. Members / proxies should bring the attendance slip enclosed as **Annexure B** duly filled in for attending the Meeting.
6. Members who hold shares in the dematerialized form are requested to write their DP Id and Client Id and those holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The profile and other relevant details pursuant to Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India in respect of Director seeking re-appointment at this AGM is provided as **Annexure I, II and III** to this Notice.
9. The Notice and the Annual Report of the AGM shall be displayed on the website www.axisfinance.in of the Company.
10. A route map showing directions to reach the venue of the Annual General Meeting annexed herewith as **Annexure C**.

Explanatory Statements under section 102 of the Companies Act, 2013

Item No. 3 and 4:

In terms of the provisions of section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the Members of the Company at the 29th Annual General Meeting held on June 19, 2024 had accorded their approval by way of special resolution to the Board of Directors of the Company to borrow, from time to time, such sums of money from banks, financial institutions or any other institutions for an amount not exceeding ₹ 70,000 Crore (Rupees Seventy Thousand Crore only) and to mortgage / create charge on all or any of the assets of the Company in favor of the concerned lenders for the purpose of securing the due repayment of the monies borrowed by the Company together with the interest and other monies thereon.

As per the provisions of section 180(1)(c) and 180(1)(a), respectively, of the Companies Act, 2013, the Board of Directors of a Company shall not:

- borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business, or
- sell, lease or otherwise dispose of the whole or substantially the whole of its undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings,

without the consent of the Members of the company accorded at the General Meeting by means of a 'special resolution'.

For the purpose of funding its lending business operations, the Company raises resources *inter-alia* by borrowing monies from time to time from various persons, firms, bodies corporate, banks, financial institutions, etc. and these borrowings are *inter-alia* secured by mortgage of immovable properties, hypothecation/pledge of movable properties, promissory notes and / or negative liens / pledges on the assets and properties of the Company coupled with power of attorney in favor of such lenders.

Considering the future business growth of the Company, to meet the funding requirements and in order to provide security to such loans by way of mortgage or creating charge on the assets of the Company, it is proposed to increase the borrowing limits of the Company up to ₹ 95,000 Crore (Rupees Ninety-Five Thousand Crore only) by passing the resolution proposed under item no. 3 as a Special resolution. Further, in order to provide security to such loans by way of mortgage or creating charge on the assets of the Company up to ₹ 95,000 Crore (Rupees Ninety-Five Thousand Crore only) by passing the resolution proposed under item no. 4 as Special resolution.

In view of the aforesaid, the Board of Directors at its meeting held on April 17, 2026, subject to the approval of Members, approved the increase in the borrowing limits of the Company and to mortgage or create charge on all or any of the assets of the Company as may be approved by the Members pursuant to Section 180(1)(c) and 180(1)(a) of the Act.

Accordingly, the approval of the Members is being sought by way of special resolutions authorizing the Board of Directors or Committee(s) thereof as specified in the resolution to borrow further sums of monies within an overall limit of ₹ 95,000 Crore (Rupees Ninety-Five Thousand Crore only) outstanding at any given point of time and provide security to such loans by way of mortgage or creating charge on the assets of the Company up to ₹ 95,000 Crore (Rupees Ninety-Five Thousand Crore only). The Board recommends passing of the special resolutions as set out under item nos. 3 and 4 of this Notice for approval of the Members.

None of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in Item no. 3 and 4.

Item No. 5:

The Company has been raising funds by offer and/or invite for issuing redeemable Non- Convertible Debentures, secured or unsecured, fixed rate or market/bench mark linked and/or any other hybrid instruments (not in the nature of equity shares) including but not limited to Subordinated Bonds, Perpetual Debt Instruments which may or may not be classified as being additional Tier I or Tier II capital (hereinafter referred to as "Debt Securities") on private placement basis, from time to time.

In terms of Section 71 which deals with the issue of debentures and Section 42 of the Companies Act, 2013, which deals with the offer or invitation for subscription of Securities of the Company on private placement basis read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of its Debt Securities only after receipt of prior approval of its shareholders by way of a special resolution. The Companies (Prospectus and Allotment of Securities) Rules, 2014 further provides that the said special resolution must be passed in respect of all offers / invitations for the Debt Securities to be issued during a year and such a special resolution is required to be passed every year.

Considering the above, the Board of Directors at its meeting held on April 17, 2026, has approved issuance of Debt securities in one or more tranches, for an aggregate amount not exceeding ₹ 36,000 Crore (Rupees Thirty-Six Thousand Crore only) on private placement basis and within the overall borrowing limit subject to the approval by the Members.

Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 5 of this Notice authorizing the Board or committees as specified in the resolution to issue NCDs and/or any other hybrid instruments (not in the nature of equity shares) which may or may not be classified as being Tier II capital under the provisions of the RBI Master Directions, for an aggregate amount not exceeding ₹ 36,000 Crore (Rupees Thirty-Six Thousand Crore only) on private placement basis during a period of one year from the date of this Annual General Meeting.

The Board, accordingly, recommends the passing of the special resolution as set out at Item No. 5 of this Notice, for the approval of the Members.

None of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 5.

**Item No. 6:**

The members of the Company are requested to note that Company may raise funds by way of sell / direct assignment / securitization of the present and /or future receivables / book debts of the Company to any Bank or Financial Institution or Asset Reconstruction Companies as per the terms approved by the Board of Directors. The sale / assignment / securitization of the present and / or future receivables / book debts of the Company may result into disposal of undertaking as defined in the explanation to section 180(1)(a) of the Companies Act, 2013. As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company shall not sell, assign or securitize the receivables / book debts of the Company without the consent of the members of the Company, accorded at the General Meeting by means of a 'special resolution'.

In view of the aforesaid, the Board of Directors at its meeting held on April 17, 2026, has subject to the approval of members, approved sell / assign / securitize present and / or future receivables / book debts of the Company. Accordingly, the approval of the Members is being sought by way of special resolution, authorizing the Board of Directors or committees as specified in the resolution to sell / assign / securitize substantial assets including present and / or future receivables / book debts of the Company, to any Bank or Financial Institution or Asset Reconstruction Companies as per the terms approved by the Board of Directors for an aggregate amount not exceeding ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore only) during the financial year.

The Board, accordingly, recommends the passing of the special resolution as set out at Item No. 6 of this Notice, for the approval of the Members.

None of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 6.

Item No. 7:

The Company may require augmentation of its capital base from time to time in order to support its business growth, strengthen its capital adequacy position, and meet future funding requirements arising from expansion plans, regulatory requirements and strategic initiatives.

An increase in the Authorised Share Capital would provide the Company with the necessary flexibility to issue further equity shares and/or other securities convertible into equity shares, as and when required, including by way of private placement, rights issue or preferential issue, without being constrained by the existing authorised capital limit.

Such enhancement of the Authorised Share Capital is considered to be in the best interest of the Company and its Members, as it enables timely access to capital markets, improves financial flexibility and supports long term value creation, while ensuring compliance with applicable laws and regulatory norms.

In view of the aforesaid, the Board of Directors at its meeting held on April 17, 2026, subject to the approval of Members, has approved to increase the Authorised Share Capital of the Company from ₹ 1,000,00,00,000/- (Rupees One Thousand Crore only) divided into 100,00,00,000 (One Hundred Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 1,500,00,00,000/- (Rupees One Thousand Five Hundred Crore only) divided into 150,00,00,000 (One Hundred and Fifty Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

The copies of the existing and proposed amended Memorandum of Association and Articles of Association of the Company are available for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the meeting and will also be made available at the meeting.

Accordingly, the Board of Directors has recommended the proposal to increase the Authorised Share Capital of the Company and consequent alteration of Clause V of the Memorandum of Association and Clause 3(1) of Articles of Association, for approval of the Members by way of a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company and their relatives is / are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 7 of the Notice.

Item No. 8:

The members be informed that as a part of annual performance appraisal and basis the recommendation of Nomination and Remuneration Committee and subject to the approval of members, the Board had approved increase in the remuneration of Sai Giridhar, Managing Director & CEO of the Company.

The Board, accordingly, recommends the passing of the ordinary resolution as set out at item No. 8 of this Notice, for the approval of the Members.

Except Sai Giridhar, MD & CEO and his relatives none of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 8.

Profile and other details as required under Secretarial Standards – 2 – Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India are enclosed as **Annexure II** to this Notice for the perusal of the members.

Item No. 9:

The members be informed that as a part of annual performance appraisal and basis the recommendation of Nomination and Remuneration Committee and subject to the approval of members, the Board had approved increase in the remuneration of Vishal Sharan, Whole-Time Director of the Company.

The Board, accordingly, recommends the passing of the ordinary resolution as set out at item No. 9 of this Notice, for the approval of the Members.

Except Vishal Sharan, Whole-Time Director and his relatives none of the Promoters, Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in item no 9.

Profile and other details as required under Secretarial Standards – 2 – Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India are enclosed as **Annexure III** to this Notice for the perusal of the members.



Annexure I

Brief Profile of Amitabh Chaudhry seeking re-appointment at the Annual General Meeting

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name	Amitabh Chaudhry
DIN	00531120
Age	61 years
Qualification	<ul style="list-style-type: none"> a. Bachelors in Engineering b. Post-Graduation in Business Management
Experience	<p>He successfully led HDFC Standard Life Insurance Company Limited (HDFC Life), for over nine years. Under his leadership, HDFC Life emerged as the finest brand in the life insurance space and is one of India's largest private life insurers. He is also the Managing Director & CEO of Axis Bank Limited. Prior to HDFC Life, Amitabh was the Managing Director and CEO of Infosys BPO and the Head of testing unit of Infosys Technologies Ltd. He was instrumental in building the BPO right from its inception and was later credited for making it an extremely profitable business having presence across seven countries. He started his career with Bank of America in 1987 and played diverse roles such as Head of Technology Investment Banking for Asia, Regional Finance Head for Wholesale Banking and Global Markets, Chief Finance Officer of Bank of America (India) and Relationship Manager in Wholesale Banking for Mumbai and Delhi. He moved to Credit Lyonnais Securities in 2001 as Head of Structured Finance practice and then also took over as the Head of Investment Banking franchise for South East Asia, before joining Infosys BPO in 2003.</p>
Terms and conditions of re-appointment	Non-Executive Director
Details of remuneration sought to be paid	Not Applicable
Details of remuneration last drawn: (in Lakh) during FY 2026	Not Applicable
Date of first appointment on the Board	January 17, 2019
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during FY 2025-26	Nine (9)
Other Directorships (excluding Axis Finance Limited)	<ul style="list-style-type: none"> a. Axis Bank Limited b. Axis Capital Limited c. Axis Asset Management Company Limited
Membership / Chairmanship of Committees of other Board	None

Brief Profile of Sai Giridhar, Managing Director & CEO having variation in the terms of remuneration

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name	Sai Giridhar
DIN	10757486
Age	51 years
Qualification	<ul style="list-style-type: none"> a) Postgraduate Certificate in Business Management, General Management, Xavier Labor Relations Institute, Jamshedpur, India b) Intermediate Level, Institute of Cost & Works Accountants of India c) Bachelor of Arts, Economics, AM Jain College, University of Madras
Experience	Sai Giridhar has 28+ years of experience in retail assets – with 360-degree experience in Secured and Unsecured Lending across Product Development, Marketing, Sales & Distribution, Credit Underwriting & Policy, and Collections. He has significant experience in end-to-end P&L management and hands on experience in all aspects of consumer risk management.
Terms and conditions of appointment	As per the agreement and appointment letter
Details of remuneration sought to be paid	As mentioned in the proposed resolution in Item No. 8
Details of remuneration last drawn (in Lakh) for FY 2026 as director of the Company	₹ 875 Lakh
Date of first appointment on the Board	January 01, 2025
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during	Nine (9)
Other Directorships (excluding Axis Finance Limited)	Nil
Membership / Chairmanship of Committees of other Board	None



Annexure III

Brief Profile of Vishal Sharan, Whole-Time Director having variation in the terms of remuneration

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name	Vishal Sharan
DIN	11056592
Age	47 years
Qualification	B.Com., L.L.B and Associate Company Secretary
Experience	<p>Mr. Sharan has 22+ years of experience in financial services industry across businesses involving lending, investments, corporate coverage, credit & portfolio management and corporate investment banking across both debt as well as equity capital markets.</p> <p>He has been associated with the Axis Group since 2005 across functions which has provided extensive exposure into multiple businesses at different maturity levels.</p> <p>He is associated with Axis Finance Limited since 2013 as one of the key founding members leading the Wholesale Business from scratch. Under his leadership, the business grew multifold and has emerged as an industry leading wholesale lending franchise across parameters viz, growth, asset quality, return metrics, employee productivity and clients' trust. In his present role as the President and Business Head of Corporate Banking (Wholesale and MSME businesses), he holds end-to-end P & L responsibility and is responsible right from business origination to stress asset resolution / recovery. He has also headed the Corporate Credit function at Axis Finance Limited earlier.</p>
Terms and conditions of appointment	As per the agreement and appointment letter
Details of remuneration sought to be paid	As mentioned in the proposed resolution in Item No. 9
Details of remuneration last drawn (in Lakh) for FY 2026 as Director of the Company	₹ 152.32 Lakh
Date of first appointment on the Board	May 29, 2025
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during FY 2025-26	Eight (8)
Other Directorships (excluding Axis Finance Limited)	None
Membership / Chairmanship of Committees of other Board	None

FORM No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65921MH1995PLC212675
 Name of the Company : Axis Finance Limited
 Registered Office : Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025

Name of the member (s): _____

Registered address: _____

E-mail Id: _____

Folio No. / Client Id: _____

DP ID: _____

I / We, being the member (s) of shares of the above-named company, hereby appoint:

1.	Name _____	Address _____	E-mail Id _____	Signature _____	or failing him _____
2.	Name _____	Address _____	E-mail Id _____	Signature _____	or failing him _____

as my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on the Thursday, June 18, 2026 at 02:00 p.m. at Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of the Resolution
----------------	-------------------------------

Ordinary Business:

1.	To receive, consider and adopt the audited financial statements for the year ended 31 st March 2026 together with the Reports of Directors' and Auditors' thereon
2.	To appoint a director in place of Amitabh Chaudhry (DIN: 00531120), who retires by rotation and being eligible, offers himself for re-appointment

Special Business:

3.	To consider and approve increase in borrowing limits of the Company up to ₹ 95,000 Crore
4.	To consider and approve the increase in limits for creation of charge on the assets of the Company up to an amount of ₹ 95,000 Crore
5.	To consider and approve the issuance of Debentures / Bonds on a private placement basis up to ₹ 36,000 Crore
6.	To consider and approve the selling, assignment, securitization under section 180(1)(a) of the Companies Act, 2013 up to ₹ 7,500 Crore
7.	To consider and approve the increase in Authorised Share Capital and consequential alteration to the Memorandum of Association and Articles of Association of the Company
8.	To consider and approve revised remuneration payable to Sai Giridhar, Managing Director & CEO of the Company
9.	To consider and approve the revision in remuneration of Vishal Sharan, Whole-Time Director for FY 2027

Signed this _____ day of _____ 2026

Signature of Shareholder: _____

Signature of Proxy holders(s): _____

Notes: The form should be signed across the Stamp.

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**Annexure B****Axis Finance Limited**

CIN: U65921MH1995PLC212675

Regd. Office: Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025

Tel No.: 022-2425 2525 Fax No.: 022 – 4325 3000

E-mail ID: corporate.secretarial@axisfinance.in; Website: www.axisfinance.in**ATTENDANCE SLIP**

Name of the Shareholder :
Registered Address of the Shareholder :
Ledger Folio No./CL ID/DP ID No. :
No. of Shares Held :
Name of the Proxy/Representative, if any :
Signature of the Member (s) or Proxy :
Signature of the Representative :

I / We certify that I / We am / are member(s) / proxy for the member(s) of the Company.

I / We hereby record my / our presence at the 31st Annual General Meeting of the Company, to be held on Thursday, June 18, 2026 at 02:00 p.m. at Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai – 400 025.

Signature of the Shareholder / Proxy / Representative:

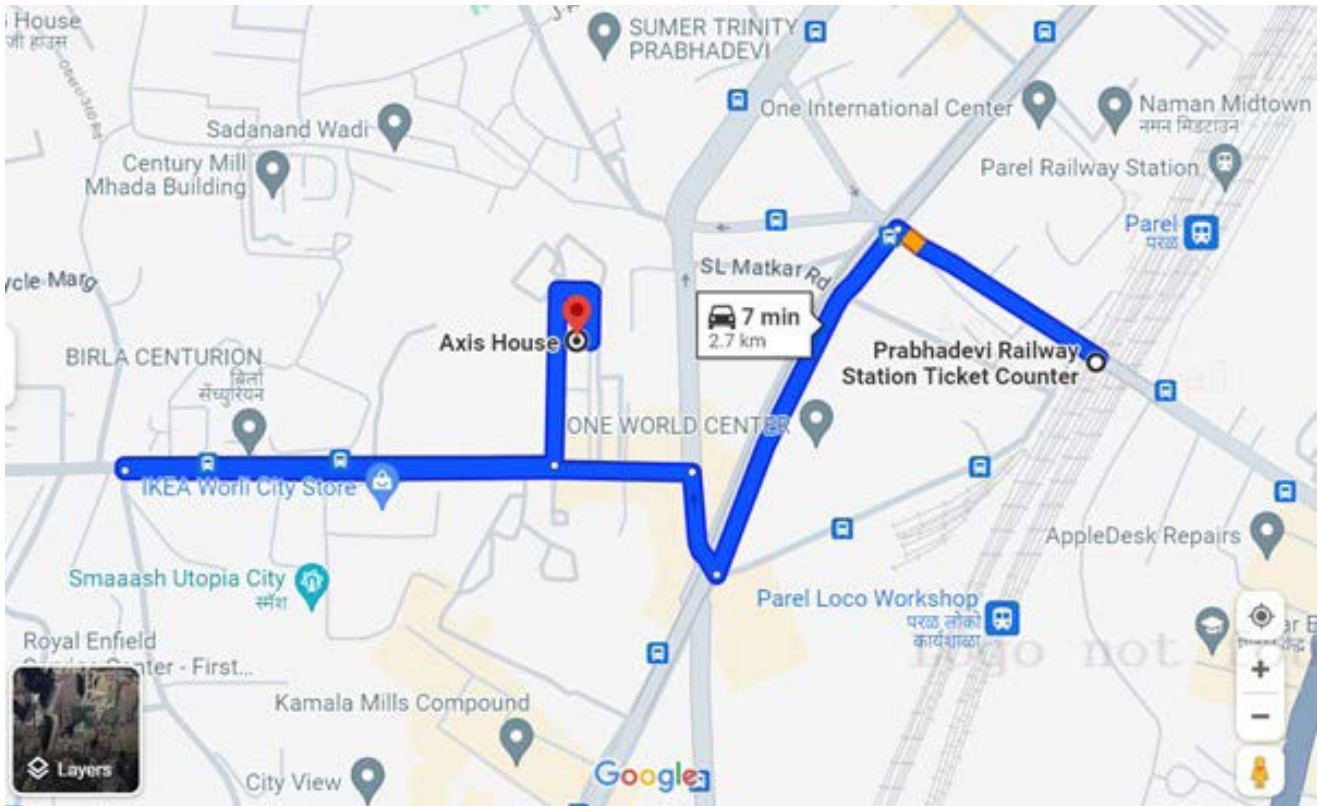
Signature of 1st Joint Holder:

Signature of 2nd Holder:

Note:

1. Please complete and sign this attendance slip and handover at the entrance of the meeting hall.
2. Only member(s) or his/her/their proxy with this attendance slip will be allowed entry to the meeting.

Route map of Venue of Annual General Meeting of Axis Finance Limited to be held on June 18, 2026



Financial statements

Independent Auditors' Report	140
Balance Sheet	152
Statement of Profit and Loss	153
Statement of Changes in Equity	154
Statement of Cash Flows	155
Notes	157



Independent Auditors' Report

To the Members of Axis Finance Limited

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of Axis Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies information and other explanatory information (together referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended, ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ("SAs") specified

under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Ind AS financial statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Allowance for expected Credit Loss on Loans (refer note no. 6) ("ECL") As at March 31, 2026, the carrying value of loan assets measured at amortised cost, aggregated ₹ 45,12,485 Lakh (net of allowance of expected credit loss ₹ 70,791 Lakh) constituting approximately 93% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable	Our Audit Approach: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: a) Evaluating the Company's accounting policies, as approved by the Board of Directors, for impairment of Loans. b) Obtained an understanding of the modelling techniques / models adopted by the Company including the key inputs and assumptions. c) We tested the identification / grouping of the loans accounts mapped with the customer code as identified by the management. d) Tested the design and effectiveness of controls related to:



Sr. No Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>outcomes for the Ind AS financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> • Basis used in staging the loan assets measured at amortised cost; • Basis used for estimating Probabilities of Default (“PD”), Loss Given Default (“LGD”) and Exposure at Default (“EAD”) at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions including cashflows; and • Adjustments to model driven ECL results to address emerging trends. 	<ul style="list-style-type: none"> • Classification of loans in Stage1 / Stage2 / Stage 3 • The completeness and accuracy of Exposure at Default (EAD) and the classification of such exposure into stages, as per the Board-approved policy. • The accuracy and relevance of information used in estimating Probability of Default (PD) and Loss Given Default (LGD). • Assessed the Management judgement with respect to cashflows considered for calculation of ECL in respect of Stage 3 assets. We have relied on such Management judgement. <p>e) Tested the ECL model, including assumptions, underlying computation on sample basis to assess the arithmetical accuracy.</p> <p>f) Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed.</p> <p>g) We also made management enquiries with respect to the overlay quantum.</p>
<p>2 Information Technology (IT) System and Controls</p> <p>The Company’s key financial accounting and reporting processes are highly dependent on the automated controls over the Company’s information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Proper IT general and application controls are essential to ensure accurate, complete, and consistent data processing for reliable financial reporting Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.</p>	<p>Our Audit Approach:</p> <p>With the assistance of our IT specialists, we obtained an understanding of the Company’s IT applications, databases and operating systems relevant to financial reporting and the control environment.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures on the areas of the IT infrastructure, which majorly focused access security (including controls over privileged access), program change controls, database management and network operations. In particular, our activity included the following:</p> <p>General IT controls design, observation and operation:</p> <ul style="list-style-type: none"> • Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. • Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. <p>User access controls operation:</p> <ul style="list-style-type: none"> • Obtained management’s evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations. • Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. <p>Application controls:</p> <ul style="list-style-type: none"> • We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.

Sr. No Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<ul style="list-style-type: none"> • For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures. • Our tests also included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Directors' Report including Annexures to Board's Report, Management Discussion and Analysis and Report on Corporate Governance but does not include the Ind AS Financial Statements and our auditors' report thereon. The other information included is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting

Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the Ind AS Financial Statements

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

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2025, included in these Ind AS financial statements, have been audited by one of the predecessor auditors Messrs B. K. Khare & Co. Chartered Accountants and continuing joint statutory auditor, Messrs G. M. Kapadia & Co. Chartered Accountants who expressed an unmodified opinion on those statements on April 17, 2025.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books except for the matters stated in the paragraph (h)(vi) below on reporting under Rule 11(g).
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) The modification relating to maintenance of accounts and other matters connected therewith are as stated in paragraph (h)(vi) above on reporting under section 143(3) (b) of the Act and paragraph (h)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rule 2014.
- f) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its Ind AS Financial Statements – refer note 74 to the Ind AS Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (refer note 77 to the Ind AS Financial Statements)
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (refer note no. 77 to the Ind AS Financial Statements); and



- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- iv. The Board of Directors of the Company have not proposed any dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting.
- v. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which has a feature of recording an audit trail (edit log), and the same has been operated throughout the year under audit for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.
- i) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

Except for the periods of previous financial year where the audit trail feature was not enabled for certain softwares, the Company has preserved the audit trail in accordance with statutory record retention requirement.

For G. M. Kapadia & Co.

Chartered Accountants
Firm Registration No. 104767W

Rajen Ashar

Partner
Membership No.: 048243
UDIN: 26048243KKXDVP7821
Place: Mumbai
Date: April 17, 2026

For Khandelwal Jain & CO

Chartered Accountants
Firm Registration No. 105049W

Bhupendra Karkhanis

Partner
Membership No.: 108336
UDIN: 26108336ZGMRNI3530
Place: Mumbai
Date: April 17, 2026

Annexure A

referred to in the Report on Other Legal and Regulatory Requirements to the Independent Auditors' report of even date to the members of Axis Finance Limited as of and for the year ended March 31, 2026 under "the heading "Report on other Legal and Regulatory requirements"

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets
 - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
 - (B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
 - (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and no material discrepancies were noticed during the verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company (refer note no. 10 to the Ind AS Financial Statements).
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
 - (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. (refer note no. 82(c) to the Ind AS Financial Statements).
- (ii) (a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii)(a) of the order is not applicable to the Company.
 - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns/statements filed by the company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company (refer note no.76 to the Ind AS Financial Statements).
- (iii) (a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii) (a) of the order is not applicable to the Company.
 - (b) The investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. According to information and explanations provided to us, the Company has not provided any guarantees during the year.
 - (c) In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note no. 3.3.6 to the Ind AS financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balance as at March 31, 2026, aggregating ₹ 43,489 Lakh were categorised as credit impaired ('Stage 3') and ₹ 36,388 Lakh were categorized as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in note no. 30A to the Ind AS financial statements. Additionally, out of the loans and advances in the nature of loans with balances as at the year- end aggregating ₹ 45,03,398 Lakh where the credit risk has not significantly increased since initial recognition (Stage 1) as provided in note no. 30A to the Ind AS financial statements. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.



- (d) In respect of loans granted and advances in the nature of loans, provided by the Company, the total amount overdue for more than ninety days as on March 31, 2026 is as under:

No. of cases	Principal amount overdue# (₹ in Lakh)	Interest overdue (₹ in Lakh)	Total overdue (₹ in Lakh)	Remarks (if any)
5,394	43,202.72	5,205.33	48,408.05	

#excludes the amount written off

Reasonable steps have been taken by the Company for recovery of the principal and interest wherever applicable.

- (e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii)(e) of the order is not applicable to the Company.
- (f) Basis the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not advanced loans or made investments in, or provided guarantee or security to parties covered by section 185 of the Act and the provisions of section 186 of the Act is not applicable to the Company. Hence reporting under paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during
- (b) According to the information and explanations given to us and on the basis of our examination of the records, there are no statutory dues referred to in sub clause (a) that have not been deposited on account of any dispute except for disputed income tax dues as tabulated below:

Name of the statute	Nature of the dues	Gross Amount involved (₹)	Amount unpaid (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	41,49,323	41,49,323	Assessment year 2016-17	Commissioner of Income Tax, Appeals
Income Tax Act, 1961	Income Tax	5,84,782	5,84,782	Assessment Year 2008-09, 2011- 12, 2013-14	Assessing Officer (TDS) / CPC-TDS)
Income Tax Act, 1961	Income Tax	87,57,06,230	87,57,06,230	Assessment Year 2024-25	Rectification pending with CPC
Income Tax Act, 1961	Income Tax	92,61,230	92,61,230	Assessment Year 2009-10, 2011-12, 2012-13, 2013-14, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 2025-26	Assessing Officer (TDS) / CPC-TDS

the year and does not have any unclaimed deposits as at March 31, 2026 to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder apply. Accordingly, reporting under paragraph 3(v) of the order is not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, the reporting under paragraph 3(vi) of the Order is not applicable to the Company.

- (vii) In respect of Statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other material statutory dues in arrears as at March 31, 2026, for a period of more than six months from the date they became payable except as stated in the table below.

- (viii) According to the information and explanations given to us, there are no transactions which have not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;
- (b) Basis the information and explanation provided to us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied during the year for the purpose for which the loans were obtained, other than temporary deployment pending application of proceeds.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the paragraph 3 (ix)(e) of the Order are not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the provisions of the paragraph 3(ix)(f) of the Order are not applicable to the Company.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed and according to the information and explanations given by the management, there were 13 instances of fraud on the Company by its customers amounting to ₹ 579.62 Lakh as disclosed in Note no. 52 to the Ind AS financial statements. We did not come across any other instances of fraud by the Company.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company till the date of Auditors' Report for determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with them as referred to in Section 192 of the Act. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).



- (b) According to the information and explanations given to us, the company holds a valid Certificate of Registration (CoR).
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in Ind-AS Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 29 to the Ind AS Financial Statements.
- (xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence the paragraph 3(xxii) of the Order is not applicable.

For G. M. Kapadia & Co.

Chartered Accountants
Firm Registration No. 104767W

Rajen Ashar

Partner
Membership No.: 048243
UDIN: 26048243KKXDVP7821
Place: Mumbai
Date: April 17, 2026

For Khandelwal Jain & CO

Chartered Accountants
Firm Registration No. 105049W

Bhupendra Karkhanis

Partner
Membership No.: 108336
UDIN: 26108336ZGMRNI3530
Place: Mumbai
Date: April 17, 2026

Annexure B

[Referred to in paragraph 16.6 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Axis Finance Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

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

For G. M. Kapadia & Co.

Chartered Accountants
Firm Registration No. 104767W

Rajen Ashar

Partner
Membership No.: 048243
UDIN: 26048243KKXDVP7821
Place: Mumbai
Date: April 17, 2026

For Khandelwal Jain & CO

Chartered Accountants
Firm Registration No. 105049W

Bhupendra Karkhanis

Partner
Membership No.: 108336
UDIN: 26108336ZGMRNI3530
Place: Mumbai
Date: April 17, 2026

Balance Sheet

as at March 31, 2026

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

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial Assets			
Cash and cash equivalents	4	1,24,415.51	80,125.41
Derivative financial instruments	69	24,764.51	-
Receivables	5		
a) Trade Receivables		166.55	39.83
b) Other Receivables		-	-
Loans	6	45,12,484.59	36,75,276.37
Investments	7	1,44,458.00	1,53,413.06
Other financial assets	8	12,942.10	19,240.75
Sub-total-Financial Assets		48,19,231.26	39,28,095.42
Non-Financial Assets			
Current Tax Assets (net)	9	3,767.22	3,441.52
Deferred Tax Assets (net)	9	16,551.71	14,394.61
Property, plant and equipment	10	1,930.37	1,158.57
Intangible assets under development	11	157.26	89.48
Other Intangible Assets	11	1,996.07	1,724.11
Right-of-use assets		1,646.12	1,349.96
Other non-financial assets	12	1,177.40	1,432.97
Sub-total-Non-Financial Assets		27,226.15	23,591.22
Total - Assets		48,46,457.41	39,51,686.64
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments	69	-	1,414.76
Payables			
i) Trade Payables	13		
a) total outstanding dues to micro and small enterprises		-	-
b) total outstanding dues of creditors other than micro and small enterprises		49.51	83.97
ii) Other Payables			
a) total outstanding dues to micro and small enterprises		518.47	324.39
b) total outstanding dues of creditors other than micro and small enterprises		8,093.67	4,680.92
Debt securities	14	13,36,156.24	12,66,822.84
Borrowings (Other than debt securities)	15	24,68,050.00	17,97,170.66
Subordinated Liabilities	16	3,70,351.77	3,23,540.80
Lease Liabilities		1,724.78	1,441.27
Other financial liabilities	17	35,366.07	19,102.38
Sub-total-Financial Liabilities		42,20,310.51	34,14,581.99
Non-Financial liabilities			
Current tax liabilities (net)	9	2,770.87	483.33
Provisions	18	5,727.79	4,395.24
Other non-financial liabilities	19	2,256.95	1,818.71
Sub-total-Non-Financial Liabilities		10,755.61	6,697.28
Total - Liabilities		42,31,066.12	34,21,279.27
EQUITY			
Equity share capital	20	69,357.05	69,357.05
Other equity	21	5,46,034.24	4,61,050.32
Total - Equity		6,15,391.29	5,30,407.37
Total - Liabilities and Equity		48,46,457.41	39,51,686.64
Summary of material accounting policy information	3		

The accompanying notes form an integral part of the financial statements

4 to 88

As per our attached report of even date

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

For Khandelwal Jain & CO
Chartered Accountants
ICAI Firm Registration No.105049W

For and on behalf of the board of Axis Finance Limited

Amitabh Chaudhry
Chairman
DIN No: 00531120

Sai Giridhar
Managing Director
DIN No: 10757486

Rajen Ashar
Partner
Membership No.: 048243
Place of Signature: Mumbai
Date: April 17, 2026

Bhupendra Karkhanis
Partner
Membership No.: 108336
Place of Signature: Mumbai
Date: April 17, 2026

Amith Iyer
Chief Financial Officer
CMA Membership No: 51849

Rajneesh Kumar
Company Secretary
Membership No: A31230
Place of Signature: Mumbai
Date: April 17, 2026



Statement of Profit and Loss

for the year ended March 31, 2026

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

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest Income	22	4,79,190.22	3,92,913.35
Fees and commission Income	23	14,331.97	10,117.44
Other Operating Income	23a	4,634.65	1,788.77
Net gain on fair value changes	24	2,576.89	2,606.78
Net gain/(loss) on derecognition of financial instruments under amortised cost category		3,562.94	1,952.75
Total Revenue from operations		5,04,296.67	4,09,379.09
Other Income	23b	321.22	684.42
Total income		5,04,617.89	4,10,063.51
Expenses			
Finance Costs	25	2,86,724.97	2,43,309.42
Impairment on financial instruments	26	41,792.24	32,315.27
Employee benefits expenses	27	40,958.62	27,422.47
Depreciation, amortization and impairment	28	2,114.96	2,029.10
Other expenses	29	23,310.59	17,267.71
Total expenses		3,94,901.38	3,22,343.97
Profit before exceptional items and tax		1,09,716.51	87,719.54
Exceptional Items		-	-
Profit before taxes		1,09,716.51	87,719.54
Tax expenses			
- Current Tax	9	31,309.41	26,077.74
- Deferred Tax	9	(2,792.93)	(3,605.54)
Profit for the year		81,200.03	65,247.34
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
- Re-measurements of net defined benefit plans		(85.50)	(161.65)
- Income tax impact		(21.52)	(40.68)
Sub-total (A)		(63.98)	(120.97)
(B) Items that will be reclassified to profit and loss			
- Fair value changes on derivative designated as cash flow hedge		2,611.77	(1,919.76)
- Income tax impact		657.33	(483.16)
Sub-total (B)		1,954.44	(1,436.60)
Other Comprehensive Income/(Loss) (A+B)		1,890.46	(1,557.57)
Total Comprehensive Income for the year		83,090.49	63,689.77
Paid-up Equity share capital (Face Value of ₹ 10 each)		69,357.05	69,357.05
Earning per equity share			
Basic (₹)	35	11.71	10.03
Diluted (₹)	35	11.71	10.03
Summary of material accounting policy information	3		

The accompanying notes form an integral part of the financial statements

4 to 88

As per our attached report of even date

For G. M. Kapadia & Co.

Chartered Accountants
ICAI Firm Registration No. 104767W

Rajen Ashar

Partner
Membership No.: 048243
Place of Signature: Mumbai
Date: April 17, 2026

For Khandelwal Jain & CO

Chartered Accountants
ICAI Firm Registration No.105049W

Bhupendra Karkhanis

Partner
Membership No.: 108336
Place of Signature: Mumbai
Date: April 17, 2026

For and on behalf of the board of Axis Finance Limited

Amitabh Chaudhry

Chairman
DIN No: 00531120

Amith Iyer

Chief Financial Officer
CMA Membership No: 51849

Sai Giridhar

Managing Director
DIN No: 10757486

Rajneesh Kumar

Company Secretary
Membership No: A31230
Place of Signature: Mumbai
Date: April 17, 2026

Statement of Changes in Equity

for the year ended March 31, 2026

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

A. Equity Share Capital

Particulars	Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2026	69,357.05	-	-	-	69,357.05
As at March 31, 2025	62,706.38	-	-	6,650.67	69,357.05

B. Other equity

Particulars	Reserves and Surplus						Other Comprehensive Income (OCI)		Total
	Statutory Reserve	Securities Premium	Retained Earnings	Stock Option Outstanding reserve	General Reserves	Deemed Capital Contribution	Remeasurement of Post Employment Benefit Obligations	Cash Flow Hedge Reserve	
Balance as at April 1, 2025	68,562.00	1,76,905.48	2,15,891.94	-	33.04	1,209.85	(115.39)	(1,436.60)	4,61,050.32
Profit for the year(A)	-	-	81,200.03	-	-	-	-	-	81,200.03
Addition during the year(B)	-	-	-	1,893.43	-	-	-	-	1,893.43
Other Comprehensive Income(C)	-	-	-	-	-	-	(63.98)	1,954.44	1,890.46
Total Comprehensive Income for the year (A+B+C)	-	-	81,200.03	1,893.43	-	-	(63.98)	1,954.44	84,983.92
Transfer to/from retained earnings	16,240.01	-	(16,240.01)	-	-	-	-	-	-
Balance as at March 31, 2026	84,802.01	1,76,905.48	2,80,851.96	1,893.43	33.04	1,209.85	(179.37)	517.84	5,46,034.24
Balance as at April 1, 2024	55,512.00	1,23,703.06	1,63,694.60	-	33.04	1,209.85	5.58	-	3,44,158.13
Profit for the year(A)	-	-	65,247.34	-	-	-	-	-	65,247.34
Other Comprehensive Income (B)	-	-	-	-	-	-	(120.97)	(1,436.60)	(1,557.57)
Total Comprehensive Income for the year (A+B)	-	-	65,247.34	-	-	-	(120.97)	(1,436.60)	63,689.77
Securities Premium received on issue of shares	-	53,205.41	-	-	-	-	-	-	53,205.41
Utilization during the year against share issue expense	-	(2.99)	-	-	-	-	-	-	(2.99)
Transfer to/from retained earnings	13,050.00	-	(13,050.00)	-	-	-	-	-	-
Balance as at March 31, 2025	68,562.00	1,76,905.48	2,15,891.94	-	33.04	1,209.85	(115.39)	(1,436.60)	4,61,050.32

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For G. M. Kapadia & Co.

Chartered Accountants
ICAI Firm Registration No. 104767W

Rajen Ashar

Partner
Membership No.: 048243
Place of Signature: Mumbai
Date: April 17, 2026

For Khandelwal Jain & CO

Chartered Accountants
ICAI Firm Registration No.105049W

Bhupendra Karkhanis

Partner
Membership No.: 108336
Place of Signature: Mumbai
Date: April 17, 2026

For and on behalf of the board of Axis Finance Limited

Amitabh Chaudhry

Chairman
DIN No: 00531120

Amith Iyer

Chief Financial Officer
CMA Membership No: 51849

Sai Giridhar

Managing Director
DIN No: 10757486

Rajneesh Kumar

Company Secretary
Membership No: A31230
Place of Signature: Mumbai
Date: April 17, 2026



Statement of Cash Flows

for the year ended March 31, 2026

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	1,09,716.51	87,719.54
Adjustments for:		
Depreciation, amortization and impairment (other than right-of-use assets)	1,361.56	1,066.92
Depreciation on right-of-use assets	753.41	962.22
Net gain on fair value changes	(1,341.79)	128.54
Net gain/(loss) on derecognition of financial instruments under amortised cost category	(3,562.94)	(1,952.75)
Unwinding of EIS asset	4,304.51	5,824.53
Amortisation of fee and cost on Loans & Investment	(2,537.17)	(1,057.34)
Impairment on financial instruments	41,792.24	32,315.27
Amortisation of fee and cost on Borrowings	(6.98)	(1,466.46)
Deposits fair value impact	25.59	(40.14)
Interest on Lease deposit	(38.30)	(49.38)
Employee Stock Option	1,883.35	-
Amortisation of Lease rental	130.28	140.76
Interest income from investments (at amortised cost)	(12,529.89)	(10,380.03)
Interest income from investments (FVTPL)	(2,656.09)	(2,430.60)
Operating profit before working capital changes	1,37,294.29	1,10,781.07
Movement in working capital:		
Decrease/(increase) in Trade Receivables	(126.71)	1,432.24
Decrease/(increase) in Loans	(8,76,347.12)	(6,74,309.77)
Decrease/(increase) in Other financial assets	(16,582.94)	(5,654.36)
Decrease/(increase) in Right-of-use assets	(1,049.57)	(198.83)
Decrease/(increase) in Other non-financial assets	255.59	(254.22)
(Decrease)/increase in Lease Liabilities	1,257.14	(131.91)
(Decrease)/increase in Trade Payables	3,582.45	258.71
(Decrease)/increase in Other financial liabilities	14,848.95	(54,671.85)
(Decrease)/increase in Provisions	1,247.05	519.76
(Decrease)/increase in Other non-financial liabilities	438.24	427.99
Cash generated from operations	(7,35,182.63)	(6,21,801.16)
Income tax paid	(29,347.57)	(25,123.66)
Net cash flow from operating activities (A)	(7,64,530.21)	(6,46,924.82)
B. Cash flow from investing activities		
Interest income from investments (at amortised cost)	12,529.89	10,380.03
Interest income from investments (FVTPL)	2,656.09	2,430.60
Purchase for Intangibles	(1,071.83)	(979.15)
Purchase of Property, plant and equipment	(1,487.14)	(777.48)
Sale of Property, plant and equipment	85.92	24.59
Purchase of investment at Amortised Cost	(54,509.61)	(48,952.44)
Sale of investment at Amortised Cost	65,503.01	49,868.01
Purchase of investment at FVTPL	(5,22,594.67)	(8,03,643.76)
Proceeds from sale of investment at FVTPL	5,21,781.87	8,04,151.32
Net cash flow from investing activities (B)	22,893.54	12,501.72
C. Cash flow from financing activities		
Proceeds from Borrowings Debt securities	8,25,244.97	8,25,173.57
Repayment of Borrowings Debt securities	(7,55,878.94)	(7,67,988.61)
Proceeds from Borrowings Other than debt securities	12,08,492.20	11,83,260.85
Repayment from Borrowings Other than debt securities	(5,37,742.51)	(7,25,614.15)
Proceeds from Borrowings Subordinated Liabilities	46,914.95	79,860.31
Repayment from Borrowings Subordinated Liabilities	-	-
Proceeds from issue of Equity Shares (net of share issue expenses)	-	59,853.09
Payment towards Lease Liability	(1,103.90)	(700.19)
Net cash flow from financing activities(C)	7,85,926.77	6,53,844.88

Statement of Cash Flows

for the year ended March 31, 2026

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net increase/(decrease) in cash and equivalents(A+B+C)	44,290.10	19,421.78
Cash and cash equivalents at the beginning of the year	80,125.41	60,703.63
Cash and cash equivalents at the end of the year	1,24,415.51	80,125.41

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash	-	-
Cash and cash equivalents	64,448.97	28,155.27
Investment in highly liquid securities	59,966.54	51,970.14
	1,24,415.51	80,125.41

Additional disclosure pursuant to IND AS 7

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities including interest accrued	33,87,534.29	27,94,308.78
Cash flows (net)*	7,87,023.72	5,93,225.52
Closing balance of Debt Securities, borrowings (other than debt securities) and subordinated liabilities	41,74,558.01	33,87,534.30

*Cash flows (net) includes cash flows and accruals

- Net cash generated from operating activity is determined after adjusting the following:

Operational cash flows from interest	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest paid	2,84,970.62	2,41,588.01
Interest received	4,79,190.22	3,92,913.35

- The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.
- Purchase of PPE represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.
- The movement in lease liabilities have been disclosed in Note: 39

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

Rajen Ashar
Partner
Membership No.: 048243
Place of Signature: Mumbai
Date: April 17, 2026

For Khandelwal Jain & CO
Chartered Accountants
ICAI Firm Registration No.105049W

Bhupendra Karkhanis
Partner
Membership No.: 108336
Place of Signature: Mumbai
Date: April 17, 2026

For and on behalf of the board of Axis Finance Limited

Amitabh Chaudhry
Chairman
DIN No: 00531120

Amith Iyer
Chief Financial Officer
CMA Membership No: 51849

Sai Giridhar
Managing Director
DIN No: 10757486

Rajneesh Kumar
Company Secretary
Membership No: A31230
Place of Signature: Mumbai
Date: April 17, 2026



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

1. Corporate information

Axis Finance Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from September 12, 2011, holding Certificate of Registration No "N-13.02001".

The Company is mainly engaged in the business of financing activities. The Company is a wholly-owned subsidiary of Axis Bank Ltd. The Company's registered office is at Ground floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai – 400025. Company's Debt securities are listed at BSE Limited.

2. Statement of Compliance, Basis of Preparation and Presentation of the Financial Statements

(i) Statement of Compliance

The financial statements along with summary of the material accounting policy and other explanatory information have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended by the Companies (Indian Accounting Standards) Rules, 2016), notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to NBFCs and other accounting principles generally accepted in India

Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Material accounting policy has been consistently applied.

Any directions issued by the RBI or other regulators are implemented as and when they become applicable. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

These Financial Statements for the year ended March 31, 2026 have been reviewed by the Audit Committee and were approved by the Board of Directors of the Company at its meeting held on April 17, 2026.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Material accounting policy information has been identified based on the following criteria provided under Ind AS 1:

- (a) The entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements; or
- (b) The entity chose the accounting policy from one or more options permitted by Ind AS(s); or
- (c) The accounting policy was developed in accordance with Ind AS 8 in the absence of an Ind AS that specifically applies; or

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

- (d) The accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in accordance with para 122 and 125; or
- (e) The accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions – such a situation could arise if an entity applies more than one Ind AS to a class of material transactions.

(ii) Basis of Preparation

The Financial Statements have been prepared and presented on the going concern basis and at historical cost, except for the following which have been measured at fair value:

- Certain financial assets and liabilities;
- Employee's Defined benefit plans-plan assets; and
- Derivative Financial Instruments
- Share Based payments.

(iii) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. Except as otherwise indicated, financial information presented in Indian rupees has been rounded to the nearest lakh. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

(iv) Presentation and Disclosures of the financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'), the Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

Amounts in the standalone financial statements are presented in Indian Rupees in Lakh, which is also the Company's functional currency and all amounts have been rounded off to the nearest lakh unless otherwise indicated

3. Material accounting policy information

3.1 Income and Expenditure

i. Interest Income

The Company recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost. The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets. The company recognize late payment interest and other charges in accordance with RBI circular dated 29th April 2024 – "Fair Practices Code for Lenders – Charging of Interest".



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

ii. Dividend income

Dividend income (including from FVOCI investments) is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

iii. Fees and Commission Income

Fees and commission income other than those that are integral part of EIR are recognized when the company satisfies the performance obligation over time and as the related services are performed.

iv. Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the balance sheet date is recognised as an unrealised gain / loss. Any realised gain or loss on sale of financial instruments measured at FVTPL is recognized in net gain / loss on fair value changes. Similarly, any differences between the fair values of financial assets classified as fair value through other comprehensive income are disclosed in the OCI. However, net gain / loss on derecognition of financial instruments classified as amortized cost is presented separately under the respective head in the Statement of Profit and Loss.

v. Income from Direct assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the expected cash flows on the execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

vi. Other Operating Income

The Company recognises income on recoveries of financial assets written off on realization.

vii. Finance Costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

viii. Employee Benefits

(A) Short-term employee benefits

Liabilities for salaries and wages, including non-monetary benefits in respect of employees' services up to the end of the reporting period, are recognized as liabilities (and expenses) and are measured at the amounts expected to be paid when the liabilities are settled.

The Company recognizes a liability, and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(B) Defined Contribution Plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

(C) Defined Benefit Plan

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date. Gratuity is funded with an approved trust.

In respect of Gratuity being post-retirement benefits, remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, (if applicable) and the return on plan assets (excluding net interest) are reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to the Statement of Profit and Loss.

(D) Share based payments Transactions

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Parent Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in profit or loss.

On September 11, 2025, AFL introduced its own Employee Stock Option Plan (ESOP) for eligible employees. The fair value of share-based payment transactions is estimated using an appropriate valuation model. The Company determines the cost of equity-settled transactions with option holders using the Black-Scholes Model, which calculates the fair value of options on the grant date. Key assumptions used in the model include the expected life of stock options, volatility, and dividend yield. Stock options granted under the Company's Employee Stock Option Schemes are measured at their fair value on the grant date using this model. The total expense, determined at the grant date, is recognized as employee compensation cost over the vesting period on a straight-line basis, based on the number of options expected to vest, with a corresponding increase in equity. In the event of cancellation or lapse of unvested options, the previously recognized cost is reversed in the statement of profit and loss, with a corresponding decrease in equity.

The dilutive effect of outstanding options is considered in the calculation of diluted earnings per share

3.2 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits and short-term liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when Company becomes party to the contractual provisions of the instruments.

3.3.1 Initial recognition and initial measurement

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial instruments are added to the fair value. Purchases or sales of financial instruments that require delivery of assets / liabilities within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset / liabilities.

3.3.2 Initial recognition, classification and subsequent measurement of financial assets

Based on the Business Model, the contractual characteristics of the financial assets and specific elections where appropriate, the financial assets are classified into one of the three categories for measurement and income recognition:

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

Financial asset is carried at amortized cost,

A financial asset is measured at amortised cost if it meets both the following conditions:

- a) The financial asset is held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at fair value through other comprehensive income

Further other things remain the same (as in (a) and (b) above), if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, such asset/s are classified as held at FVOCI.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Financial assets included within the FVOCI category are measured subsequently at each reporting date at fair value. Interest income and impairment loss are recognised in the statement of profit and loss. Fair value movements on subsequent measurement are recognised in the OCI.

Financial assets at fair value through profit and loss

In case of a financial asset that does not meet both the above conditions, it is classified as FVTPL.

Financial assets included within the FVTPL category are measured subsequently at each reporting date at fair value. Net gain or loss, including interest and other income are recognised in the Statement of Profit and Loss.

a) Business Model (BM) Assessment

In order to arrive at the appropriate Business Model, the following factors are considered by the Company.

- How the performance of the business model (including the financial assets in that business model) are evaluated and reported to key management personnel within the Company.
- The risks that affect the performance of the business model (and the financial assets in it) and how those risks are managed.

Changes in Business Model

The Company periodically reviews and updates the existing business model for its portfolio as long as these changes are expected to be infrequent, significant to the entity's operations, and demonstrable to external parties.

b) Solely Payments of Principal and Interest (SPPI) Test

Contractual Cash Flow Assessment

To determine whether a financial asset is measured at either amortized cost or FVOCI, the Company has considered whether the cash-flows from the financial asset are solely for the payments of principal and interest ("SPPI").

For the purpose of Ind AS 109, principal and interest are defined as follows:

- Principal is the fair value of the financial asset at initial recognition
- Interest is consideration for:
 - The time value of money
 - Credit risk associated with the principal amount
 - In addition, interest may also include consideration for other basic lending risks such as liquidity risk and costs of holding the asset (e.g. administrative costs)
 - Interest may include a profit margin that is consistent with a basic lending arrangement

If the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding then the SPPI criteria is met.

The Company classifies its financial assets into the following four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3.3.3 Initial measurement, classification and subsequent measurement of Financial Liabilities and Equity Instruments

The Company classifies these instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

Financial liabilities

The Company's borrowings include bonds, commercial paper, borrowings from banks, etc. Debt securities issued, subordinated liabilities and other borrowings are initially measured at fair value less directly attributable transaction costs and subsequently measured at their amortised cost using the EIR method.

Initial recognition and subsequent measurement of financial liability is based on their classification.

The Company's most of the Financial Liabilities are measured initially and subsequently measured at amortised cost.

3.3.4 De-recognition of Financial Assets and Liabilities

a) De-recognition of Financial Assets

A financial asset is derecognized only when

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

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

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

b) De-recognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3.3.5 Reclassification of Financial Assets and Financial Liabilities

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the changes in the business model that results in reclassification.

Reclassifications are expected to be very infrequent. Such changes must be determined by the Company's senior management as a result of external or internal changes and must be significant to the Company's operations and demonstrable to external parties.

Further re- classification is not allowed in following cases;

- Investments in equity instruments irrevocably designated as at FVOCI cannot be reclassified.
- Reclassification of financial liabilities.

3.3.6 Impairment of Financial Assets - General approach

The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset. This includes both quantitative and qualitative information and analysis based on a provision matrix which takes into account the Company's historical credit loss experience, current economic condition, forward looking information and scenario analysis.

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

The company categorizes financial assets at the reporting date into stages based on the days past due (DPD) status as under:

- Stage 1: 0 to 30 days past due
- Stage 2: 31 to 60 days past due and 61 to 90 days past due
- Stage 3: more than 90 days past due

Probability of Default (PD): It is an estimate of the likelihood of default over a given time horizon. In order to estimate the PDs, studies on defaults available in public domain and experience of the Parent (Axis Bank Limited) have been taken into account.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Exposure at Default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments. A credit conversion factor of 10% is applied for expected drawdown on committed loan facilities.

Loss Given Default (LGD): LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

Credit – impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are categorized to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- Grant of concession given by the lender to the borrower on account of relating to the borrower's financial difficulty economic or contractual reason which otherwise would not be consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that, as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets, where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment, including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back-stop, if amounts are overdue for 90 days or more

Significant Increase in Credit Risk

The Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk, since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable, and supportable, including historical experience and forward-looking information, that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

ECL is calculated as under:

Stage 1: The Company calculates the 12 months' ECL based on the expectation of a default occurring within 12 months from the reporting date. The expected 12-month PD is applied to the EAD and multiplied by the expected LGD and discounted at the EIR.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for life time expected credit loss as above, but the PD and LGD is estimated over the lifetime of the loan.

Stage 3: For loans considered credit impaired, life time ECL is recognized.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Write Off

Loans and Debt Securities are written off when the company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to the financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains and will be recognized in the Statement of Profit and Loss.

3.3.7 Derivative financial instruments

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in Finance Cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss. The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind-AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Fair Value Hedges

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

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3.4 Taxes

Income tax comprises of current tax and deferred tax. Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears. Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled. The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 'Income Taxes'.

3.5 Property, plant and equipment ('PPE')

PPE are held for use in supply of services and for administrative purpose, used for more than one period and not held for sale in the normal course of business. PPE and Capital work-in-progress ('CWIP') are stated at cost, net of accumulated depreciation. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the expenditure incurred will increase the future economic benefits / functionality capability of the asset and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced and resulting gain / loss, if any, is recognized in other income / expenses in the Statement of Profit and Loss in the year the asset is derecognized. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation, estimated useful life and residual value

The depreciation is calculated on straight line method using the useful lives as estimated by management. Depreciation on assets purchased during the period is provided on pro rata basis from the date asset is available for use as intended by management. Item of PPE is derecognized upon disposal, when no future economic benefits are expected from its use or disposal. The residual values, useful lives and method of depreciation of PPE are reviewed annually and adjusted prospectively.

The Company has used below estimated useful lives to provide depreciation and amortization on its Property, plant and equipment.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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

Assets	Estimated Useful Life (in years) as per Companies Act, 2013	Estimated Useful Life (in years) as per Management
Tangible Assets:		
Computers	3	3
Servers	3	3
Furniture & Fixtures	10	10
Office Equipment	5	5
Vehicles	8	4
Land and Building	60	60
Leasehold improvements	As per Lease term	As per Lease term
Intangible Assets:		
Software	3	5

Further, Company has made policy of considering the assets costing less than ₹ 10,000 as operating expenses.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Consequently, the useful life of certain vehicles and software differ from the life prescribed in Schedule II of the Act. Vehicles are depreciated over the estimated useful life of 4 years which is lower than those indicated in schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.6 Other Intangible Assets and Amortization

Intangible assets are assets without physical substance, controlled by Company as a result of past events and from which future economic benefits are expected to flow. Intangible asset includes computer software. Intangible assets are stated at cost, net of accumulated amortization and accumulated impairment losses. The cost of an intangible asset comprises of all directly attributable costs.

Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses. The useful life of these intangible assets is estimated at 5 years with zero residual value. Amortization on assets purchased during the year is provided on pro rata basis from the date asset is available for use. The residual values, useful lives and method of amortization are reviewed annually and adjusted prospectively.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

3.7 Provisions, Contingent liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

The expenses relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statement.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

3.8 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at the rates of exchange on the reporting date. Exchange difference on restatement of all other monetary items are recognized as Derivative assets/liabilities.

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

3.9 Leases

The Company as a lessee

The Company's lease assets primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right - of - use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.10 Fair Value Measurement

The Company measures financial instruments such as investment in mutual funds at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3.11 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.12 Earnings Per Share

Basic Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

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 period are adjusted for the effects of all dilutive potential equity shares.

3.13 Events after the reporting period

Events after the reporting period are those events, both favorable and unfavorable that occur between end of the reporting period and the date on which the financial statements are approved for issue.

Adjusting Events

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

Non-adjusting Events

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

3.14 Segment Reporting

Operating business segment results are reviewed regularly by the Company's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance. Business segment is the primary segment comprising of 'Financing activity'. As the Company operates only in a single business segment, no segment information thereof is given as required under Ind AS 108.

3.15 Material accounting judgments, estimates and assumptions

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

Judgments

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



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

a) **Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b) **Fair Value of Financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) **Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

d) **Impairment of financial asset**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 30.

e) **Provisions and other contingent liabilities**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

f) **Deferred Tax**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

g) **Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 7th May 2025, 13th August 2025 and 10th March 2026, the Ministry of Corporate Affairs (MCA) notified below mentioned amendments:

1. Ind AS 1 – Presentation of Financial Statements: Amendments relating to Classification of liabilities as current/non-current and non-current liabilities with covenants.
2. Ind AS 7 – Statement of Cash Flows: Disclosure on Supplier finance arrangements (reverse factoring, etc.).
3. Ind AS 107 – Financial Instruments: Disclosures: Additional disclosure requirements for supplier finance arrangements.
4. Ind AS 109 related financial instrument amendments, standard aligned with IFRS 9
5. Ind AS 12 – Income Taxes: International tax reform - Pillar two model rules applicable immediately. The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediately and applies retrospectively.

Management has assessed the above amendments and is of the view that these amendments are not having material impact to the Company.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

4 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks	44,722.65	28,155.27
Investment in highly liquid securities	59,966.54	51,970.14
Fixed Deposits	19,726.32	-
Total	1,24,415.51	80,125.41

5 Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
a) Trade Receivables considered good – Unsecured		
- Related parties	14.47	-
- Others	152.08	39.83
b) Other Receivables considered good – Unsecured	-	-
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
Total Receivables	166.55	39.83
Less: Impairment loss allowance	-	-
Total	166.55	39.83

No amount is due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

There is no Unbilled amount of receivables as on March 31, 2026 (March 31, 2025 : NIL)

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

5a Receivables ageing as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment [#]					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good, Unsecured	166.55	-	-	-	-	166.55
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Receivables ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment [#]					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good, Unsecured	39.83	-	-	-	-	39.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

[#]The ageing of the receivable is determined from the date of the transaction.

6 Loans

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Loans		
(1) Term Loans at amortised cost	45,83,275.44	37,29,195.02
(2) Loans repayable on demand at amortised cost	-	-
	45,83,275.44	37,29,195.02
Less: Impairment loss allowance	(70,790.85)	(53,918.65)
Total	45,12,484.59	36,75,276.37



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	As at March 31, 2026	As at March 31, 2025
(B) Out of above		
(i) Loans in India		
Loans to Public Sector	-	-
Loans to Others	45,83,275.44	37,29,195.02
	45,83,275.44	37,29,195.02
Less: Impairment loss allowance	(70,790.85)	(53,918.65)
Total	45,12,484.59	36,75,276.37
(ii) Loans outside India	-	-
Total (i+ii)	45,12,484.59	36,75,276.37
(C) Out of above		
1) Secured by tangible assets	39,15,400.11	31,43,446.31
2) Covered by Bank/Government Guarantees	7,529.77	19,800.58
3) Unsecured	6,60,345.56	5,65,948.13
Total Loans	45,83,275.44	37,29,195.02
Less: Impairment loss allowance	(70,790.85)	(53,918.65)
Total	45,12,484.59	36,75,276.37

Notes:-

- 1) Loans to the extent of ₹ in Lakh 39,22,929.88 (March 31, 2025: 31,63,246.89) are secured by:
 - (i) Hypothecation of assets and / or
 - (ii) Mortgage of property and / or
 - (iii) Corporate guarantee/personal guarantee of directors in certain cases over and above of security and / or
 - (iv) Government guarantees
 - (v) Pledge of shares & other financial securities.
- 2) There are no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
- 3) There are no Loans or advances granted to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are in the nature of: (a) repayable on demand or (b) without specifying any terms or period of repayment as at March 31, 2026 (March 31, 2025: NIL).
- 4) Refer Note 30 for Credit quality of financial assets and Expected credit loss.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

7 Investments

Particulars	As at March 31, 2026		
	Amortised Cost	At Fair value through Profit & Loss Account	Total
	1	2	(1+2)=3
Investments In India			
Quoted			
Investment in Government Securities	72,324.58	-	72,324.58
Investment in Other Securities	-	10,930.30	10,930.30
Investment in Debt Securities	15,266.55	-	15,266.55
Unquoted			
Investment in Debt Securities	46,367.56	-	46,367.56
Total - Gross (A)	1,33,958.69	10,930.30	1,44,888.99
Less: Impairment loss allowance (B)	(430.99)	-	(430.99)
Total - Net (A-B)	1,33,527.70	10,930.30	1,44,458.00

- 1) There are no investment measured at FVOCI or designated at FVOCI.
- 2) There are no investment outside India
- 3) Impairment loss allowance is created on Debt Securities

Particulars	As at March 31, 2025		
	Amortised Cost	At Fair value through Profit & Loss Account	Total
	1	2	(1+2)=3
Investments In India			
Quoted			
Investment in Government Securities	71,577.86	3,658.08	75,235.94
Investment in Other Securities	-	5,117.63	5,117.63
Investment in Debt Securities	26,491.07	-	26,491.07
Unquoted			
Investment in Debt Securities	46,893.64	-	46,893.64
Total - Gross (A)	1,44,962.57	8,775.71	1,53,738.28
Less: Impairment loss allowance (B)	(325.22)	-	(325.22)
Total - Net (A-B)	1,44,637.35	8,775.71	1,53,413.06

- 1) There are no investment measured at FVOCI or designated at FVOCI.
- 2) There are no investment outside India
- 3) Impairment loss allowance is created on Debt Securities



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

8 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits*	1,227.56	1,071.04
Excess Interest Spread	11,048.64	11,790.20
Other Assets	665.90	6,379.51
Total	12,942.10	19,240.75

*Security Deposits are shown at Amortised Cost

9 Deferred tax & Income Tax:

In accordance with Ind AS 12 "Income Taxes", the Company has accounted for deferred taxes during the year. Deferred tax comprises of timing difference on account of following:-

Deferred Tax Asset/(Liability)	As at March 31, 2026	As at March 31, 2025
Unamortized Processing Fees on loans	87.90	735.88
Lease and Deposit Fair Value	54.44	51.19
Expected Credit Loss	17,816.64	13,570.23
Unamortized Processing Fees on Term Loan borrowings	212.56	93.90
Other temporary difference	(875.07)	557.14
Depreciation	(103.67)	(66.11)
Unamortized Processing Fees on NCD borrowings	(641.09)	(547.62)
Total	16,551.71	14,394.61

Movement of Deferred Tax Assets/(Liability)

For the year ended March 31, 2026

Deferred taxes in relation to	Deferred Tax Asset/(Liability) as on April 1, 2025	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Total movement	Deferred Tax Asset/(Liability) as on March 31, 2026
Deferred tax assets						
Unamortized Processing Fees on loans	735.88	(647.98)	-	-	(647.98)	87.90
Lease and Deposit Fair Value	51.19	3.25	-	-	3.25	54.44
Expected Credit Loss	13,570.23	4,246.41	-	-	4,246.41	17,816.64
Unamortized Processing Fees on Term Loan borrowings	93.90	118.66	-	-	118.66	212.56
Other temporary difference	557.14	(796.38)	(635.81)	-	(1,432.19)	(875.07)
Deferred tax liabilities						
Depreciation	(66.11)	(37.56)	-	-	(37.56)	(103.67)
Unamortized Processing Fees on NCD borrowings	(547.62)	(93.47)	-	-	(93.47)	(641.09)
	14,394.61	2,792.93	(635.81)	-	2,157.12	16,551.71

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

For the year ended March 31, 2025

Deferred taxes in relation to	Deferred Tax Asset/(Liability) as on April 1, 2024	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Total movement	Deferred Tax Asset/(Liability) as on March 31, 2025
Deferred tax assets						
Unamortized Processing Fees on loans	961.92	(226.04)	-	-	(226.04)	735.88
Lease and Deposit Fair Value	43.15	8.04	-	-	8.04	51.19
Expected Credit Loss	9,270.29	4,299.94	-	-	4,299.94	13,570.23
Unamortized Processing Fees on Term Loan borrowings	1.32	92.58	-	-	92.58	93.90
Other temporary difference	68.44	(35.15)	523.84	-	488.71	557.14
Deferred tax liabilities						
Depreciation	(72.54)	6.43	-	-	6.43	(66.11)
Unamortized Processing Fees on NCD borrowings	(7.37)	(540.25)	-	-	(540.25)	(547.62)
	10,265.21	3,605.54	523.84	-	4,129.40	14,394.61

The Components of Income Tax Expense are as under	For the year ended March 31, 2026	For the year ended March 31, 2025
Current Tax	31,309.41	26,033.09
Adjustment in respect of current income tax of prior years	-	44.65
Deferred tax relating to origination and reversal of temporary differences	(2,792.93)	(3,605.54)
Total tax charge	28,516.48	22,472.20
Current Tax	31,309.41	26,077.74
Deferred tax	(2,792.93)	(3,605.54)

Income Tax recognised in Other comprehensive income	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax relating to items that will not be reclassified to profit or loss	(21.52)	(40.68)
Income tax relating to items that will be reclassified to profit or loss	657.33	(483.16)
Total income tax recognised in other comprehensive income (debit)	635.81	(523.84)

Current Tax Assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Current Tax Assets (net of provision for income tax)	3,767.22	3,441.52

Current tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax liabilities (net of advance income tax)	2,770.87	483.33



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	1,09,716.51	87,719.54
Applicable income tax rate (%)	25.168	25.168
Income tax expense calculated at applicable income tax rate	27,613.45	22,077.25
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Difference other than temporary in nature on account of tax benefits and others:-		
1) tax on capital gains	(18.80)	(342.71)
2) Others	921.83	737.66
Income tax expense recognised in Statement of Profit and Loss	28,516.48	22,472.20
Effective tax rate for the year	25.99%	25.62%

10 Property, Plant and Equipment (PPE)

Particulars	Computers	Office equipment	Furniture & fixtures	Leasehold Improvements	Vehicles	Land and Building	Total
Cost:							
As at April 1, 2024	946.90	85.32	129.29	31.50	530.32	4.50	1,727.83
Additions	303.38	27.90	102.93	1.35	338.56	-	774.12
Disposals	(157.07)	(7.44)	(1.00)	-	(42.01)	-	(207.52)
As at March 31, 2025	1,093.21	105.78	231.22	32.85	826.87	4.50	2,294.43
Additions	726.63	69.38	52.24	75.30	563.60	-	1,487.14
Disposals	(1.97)	-	(48.60)	-	(131.32)	-	(181.88)
As at March 31, 2026	1,817.88	175.16	234.86	108.15	1,259.15	4.50	3,599.69
Depreciation and impairment:							
As at April 1, 2024	684.53	39.68	24.53	4.03	161.04	0.74	914.55
Disposals	(156.34)	(7.44)	(1.00)	-	(20.86)	-	(185.64)
Depreciation charge for the year	196.59	18.37	16.79	3.75	171.37	0.08	406.95
As at March 31, 2025	724.78	50.61	40.32	7.78	311.55	0.82	1,135.86
Disposals	(0.80)	-	-	-	(95.17)	-	(95.96)
Depreciation charge for the year	308.97	27.51	22.43	12.24	258.21	0.05	629.42
As at March 31, 2026	1,032.96	78.12	62.76	20.02	474.60	0.87	1,669.32
Net book value:							
As at March 31, 2025	368.43	55.17	190.90	25.07	515.32	3.68	1,158.57
As at March 31, 2026	784.92	97.04	172.10	88.13	784.55	3.63	1,930.37

- 1) The Company does not have any benami properties as on reporting date.
- 2) The Company has not revalued any of its PPE during the year.
- 3) Title deeds of the immovable property (Land) are held in the name of the Company.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

11 Other Intangible Assets

Particulars	Software	Total
Computer software		
Cost:		
As at April 1, 2024	3,781.96	3,781.96
Additions	992.13	992.13
Disposals	-	-
As at March 31, 2025	4,774.09	4,774.09
Additions	1,005.88	1,005.88
Disposals	-	-
As at March 31, 2026	5,779.97	5,779.97
Accumulative amortisation and impairment:		
As at April 1, 2024	2,390.04	2,390.04
Disposals	-	-
Amortisation charge for the year	659.94	659.94
As at March 31, 2025	3,049.98	3,049.98
Disposals	-	-
Amortisation charge for the year	733.92	733.92
As at March 31, 2026	3,783.90	3,783.90
Net book value Softwares:		
As at March 31, 2025	1,724.11	1,724.11
As at March 31, 2026	1,996.07	1,996.07
Intangible assets under development		
As at March 31, 2025	89.48	89.48
As at March 31, 2026	157.26	157.26

The Company has not revalued any of its Intangible assets during the year.

11a Capital Work-in-Progress (CWIP) and Intangible assets under development ageing as at March 31, 2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	157.26	-	-	-	157.26
Projects temporarily suspended	-	-	-	-	-

CWIP Completion schedule	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Project 1 - Finbox - Embedded Finance Implementation	75.00	-	-	-
Project 2 - Consent Management System (Digital KYC Platform)	45.00	-	-	-
Project 3 - others	37.26	-	-	-



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Capital Work-in-Progress (CWIP) and Intangible assets under development ageing as at March 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	89.48	-	-	-	89.48
Projects temporarily suspended	-	-	-	-	-

CWIP Completion schedule	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Project 1 - PENNANT Application	17.50	-	-	-
Project 2 - EY Compliance Manager Tool	12.00	-	-	-
Project 3 - others	59.98	-	-	-

12 Other non-financial assets

Particulars	As at March 31,2026	As at March 31,2025
Prepaid expenses	937.94	1,347.25
Balances with government authorities - GST Input tax credit	239.46	85.72
Total	1,177.40	1,432.97

13 Payables

Particulars	As at March 31,2026	As at March 31,2025
i) Trade Payables		
a) total outstanding dues to micro and small enterprises	-	-
b) total outstanding dues of creditors other than micro and small enterprises		
- Due to Related parties	-	39.97
- Due to others	49.51	44.00
ii) Other Payables		
a) total outstanding dues to micro and small enterprises	518.47	324.39
b) total outstanding dues of creditors other than micro and small enterprises*	8,093.67	4,680.92
Total	8,661.65	5,089.28

*Includes commission payable to directors.

13a Trade Payables ageing as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	518.47	-	-	-	518.47
(ii) Others	8,143.18	-	-	-	8,143.18
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

1. Includes unbilled amount of ₹ 8,661.65 Lakh

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

13a Trade Payables ageing as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	324.39	-	-	-	324.39
(ii) Others	4,764.89	-	-	-	4,764.89
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

1. Includes unbilled amount of ₹5,049.31 Lakh
2. The ageing of Trade Payables is determined from the date of the transaction

14 Debt Securities

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised Cost (In India)		
Secured		
Non Convertible Debentures (NCD)	11,98,265.88	10,71,223.69
Unsecured		
Commercial paper	1,42,500.00	2,01,000.00
Less: Unamortised Discounting Charges	(4,609.64)	(5,400.85)
Total	13,36,156.24	12,66,822.84

Security details for Secured non-convertible debentures

- 1) Debentures are secured by Pari passu charge by way of hypothecation of book debts and accounts receivable of minimum 1 to 1.1 time cover.
- 2) Non Convertible Debentures carry interest @ 6.55% to 8.35%. Unsecured commercial paper carry interest @ 7.03% to 8.15%. In respect of commercial paper, maximum amount outstanding during the year was ₹ in Lakh 2,32,097.64 (March 31, 2025: 2,93,970.00).
- 3) There are no redeemed debentures which the Company has power to reissue.
- 4) There have been no default in payment of principal or interest during the year.
- 5) There are no Debt Securities measured at FVTPL or measure at designated at FVTPL.
- 6) There is no Debt Instrument which has been issued Outside India.

Particulars of Secured non convertible debentures

Particulars	Face Value	Asset Cover	ROI	Qty	As at March 31, 2026
NCD maturing within one year	1,00,000	1.0x to 1.10x	6.55% to 8.35%	218500	2,24,676.75
NCD maturing within one year	10,00,000	1.0x to 1.10x	6.55% to 8.35%	8700	89,102.60
NCD maturing after one year	1,00,000	1.0x to 1.10x	7.15% to 8.35%	832870	8,60,976.49
NCD maturing after one year	10,00,000	1.0x to 1.10x	7.15% to 8.35%	2240	23,510.04
				1062310	11,98,265.88



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars of Secured non convertible debentures

Particulars	Face Value	Asset Cover	ROI	Qty	As at March 31, 2026
NCD maturing within one year	1,00,000	1.0x to 1.10x	0% to 8.35%	84500	86,221.08
NCD maturing after one year	1,00,000	1.0x to 1.10x	7.85% to 8.35%	708820	7,29,689.55
NCD maturing within one year	10,00,000	1.0x to 1.10x	6.10% to 7.70%	13550	1,43,061.56
NCD maturing after one year	10,00,000	1.0x to 1.10x	6.55 % to 7.70%	10940	1,12,251.50
				817810	10,71,223.69

Particulars of Commercial Paper

Maturity date	Face Value	Qty	As at March 31, 2026
CP maturing within one year	5,00,000	28,500	1,42,500.00
		28,500	1,42,500.00

Particulars of Commercial Paper

Maturity date	Face Value	Qty	As at March 31, 2026
CP maturing within one year	5,00,000	40,200	2,01,000.00
		40,200	2,01,000.00

15 Borrowings (Other than debt securities)

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised Cost (In India)		
Secured		
Loan from related party	43,859.20	21,403.51
Loan from other Banks	21,85,883.67	16,03,034.37
At Amortised Cost (Outside India)		
Secured		
External Commercial Borrowings from related party	18,907.48	-
External Commercial Borrowings from others	2,19,399.65	1,72,732.78
Total	24,68,050.00	17,97,170.66

1. Term Loan/ECB amounting to ₹ in Lakh 24,68,050.00 (March 31, 2025: 17,97,170.66) as referred above are secured by pari passu first charge on all present and future book debts, receivables, loan assets of the Company. These carry interest @ 6.24% to 9.15%.
2. During the year the company has not defaulted in the repayment of principal or interest. During the previous year, the company has defaulted in the repayment of a term loan from IDBI Bank amounting to ₹ 600 Lakh by 1 day. As represented by the management, the delay was on account of technical delay from the bank.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3. Term Loan from Banks will be repaid as per below

Repayment	As at March 31, 2026	As at March 31, 2025
Loans maturing within one year	1,74,851.32	1,67,742.53
Loans maturing after one year	22,93,198.68	16,29,428.13
Total	24,68,050.00	17,97,170.66

16 Subordinated Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
At Amortised Cost (In India)		
Unsecured		
Subordinated debt (Non-convertible debentures)	3,70,351.77	3,23,540.80
Total	3,70,351.77	3,23,540.80

- 1) There have been no default in payment of principal and interest during the Year
- 2) There are no debt securities measured at FVTPL or measure at designated at FVTPL
- 3) There is no DEBT instrument which has been issued outside India

Particulars	Face Value	ROI	Qty	As at March 31, 2026
NCD maturing within one year	10,00,000	8.80%	2000	21,148.05
NCD maturing after one year	1,00,000	8.04% to 8.38%	172500	1,79,632.36
NCD maturing after one year	10,00,000	7.40% to 8.50%	4700	49,579.23
NCD maturing after one year	1,00,00,000	7.42% to 8.73%	1165	1,19,992.13
			180365	3,70,351.77

Particulars	Face Value	ROI	Qty	As at March 31, 2025
NCD maturing after one year	1,00,000	8.28% to 8.38%	142500	1,48,057.22
NCD maturing after one year	10,00,000	7.40% to 8.80%	6700	70,697.52
NCD maturing after one year	1,00,00,000	7.42% to 8.73%	1015	1,04,786.06
			150215	3,23,540.80

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

17 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Income Received in advance	25.38	52.20
Other financial liabilities*	35,340.69	19,050.18
Total	35,366.07	19,102.38

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



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

18 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
- Provision for gratuity	219.73	153.26
- Short term employee benefit payable	5,508.06	4,241.98
Total	5,727.79	4,395.24

19 Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Undisputed statutory dues	2,256.95	1,818.71
Total	2,256.95	1,818.71

20 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised Share Capital		
1,00,00,00,000 (March 31, 2025: 1,00,00,00,000) equity shares of ₹10/- each	1,00,000.00	1,00,000.00
	1,00,000.00	1,00,000.00
Issued, subscribed and fully paid-up:		
69,35,70,539 (March 31, 2025: 69,35,70,539) equity shares of ₹10/- each	69,357.05	69,357.05
Total	69,357.05	69,357.05

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	69,35,70,539.00	62,70,63,775.00
Issued during the year	-	6,65,06,764.00
Reductions during the year	-	-
Balance at the end of the year	69,35,70,539.00	69,35,70,539.00

The Company has not issued any equity shares during the year ended March 31, 2026. During the year ended March 31, 2025, the Company has issued 6,65,06,764 equity shares of ₹10 each at premium of ₹80 each amounting ₹ to 59,856.09 Lakh in month of November 2024 to existing shareholders on right issue basis.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(b) Terms, rights, preferences and restrictions attached to equity shares

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

- (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Shares held by holding/ultimate holding Company and/or their subsidiaries

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

Name of shareholder	As at March 31, 2026	As at March 31, 2025
Axis Bank Limited (the holding Company) and its Nominees		
69,35,70,539 (March 31, 2025: 69,35,70,539) equity shares of ₹ 10/- each	69,357.05	69,357.05

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

Name of shareholder	As at March 31, 2026	As at March 31, 2025
Equity shares of ₹ 10 each fully paid		
Axis Bank Limited (the holding Company) and its Nominees	100%	100%

- (f) The Board of directors has not recommended any dividend to shareholders for the year ended March 31, 2026 (March 31, 2025: NIL).

(g) Shareholding of Promoters as under:

Promoter Name	March 31, 2026	
	No of shares	% of total shares
Axis Bank Limited	69,35,70,539.00	100%

There is no change in shareholding during year ended March 31, 2026.

Promoter Name	March 31, 2025	
	No of shares	% of total shares
Axis Bank Limited	69,35,70,539.00	100%

There is no change in shareholding during year ended March 31, 2025.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

21 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium		
Balance at the beginning of the year	1,76,905.48	1,23,703.06
Add:- Addition during the year	-	53,205.41
Less:- Utilization during the year against share issue expense	-	(2.99)
Balance at the end of the year	1,76,905.48	1,76,905.48
Share Option Outstanding Account		
Balance at the beginning of the year	-	-
Add:- Addition during the year	1,893.43	-
Balance at the end of the year	1,893.43	-
Statutory Reserve u/s 45-IC of the RBI Act, 1934		
Balance at the beginning of the year	68,562.00	55,512.00
Add:- Addition during the year	16,240.01	13,050.00
Balance at the end of the year	84,802.01	68,562.00
Deemed Capital Contribution		
Balance at the beginning of the year	1,209.85	1,209.85
Add:- Addition during the year	-	-
Balance at the end of the year	1,209.85	1,209.85
Retained Earnings		
Balance at the beginning of the year	2,15,891.94	1,63,694.60
Total Comprehensive income for the year	81,200.03	65,247.34
Less:- Transfer to statutory reserve	(16,240.01)	(13,050.00)
Balance at the end of the year	2,80,851.96	2,15,891.94
Other Comprehensive Income (OCI)		
Remeasurement of Post Employment Benefit		
Balance at the beginning of the year	(115.39)	5.58
Add:- Addition during the year	(63.98)	(120.97)
Balance at the end of the year (A)	(179.37)	(115.39)
Cash Flow Hedge Reserve		
Balance at the beginning of the year	(1,436.60)	-
Add:- Addition during the year	1,954.44	(1,436.60)
Balance at the end of the year (B)	517.84	(1,436.60)
Other Comprehensive Income (OCI) (A+B)	338.47	(1,551.99)
General Reserves		
Balance at the beginning of the year	33.04	33.04
Add:- Addition during the year	-	-
Balance at the end of the year	33.04	33.04
Total	5,46,034.24	4,61,050.32

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Securities Premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve u/s 45-IC of RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Deemed Capital Contribution

The selected employees of the Company were entitled to receive options of Parent company and the Company subsequently did not have obligation to settle the award and hence, the award was treated as Equity settled plan till 30 June 2021. Accordingly, the Company has recognized an expense for the grant date fair value of award over the vesting year and corresponding credit as "Deemed Capital Contribution" by parent. The Company has done so for all grants awarded till 31 March 2020 in this manner.

Debenture Redemption Reserve

Debenture Redemption Reserve has not been created as the Company has issued its Non convertible debentures through private placement.

Retained Earnings

Retained earnings represents undistributed accumulated earnings of the Company as on Balance Sheet date.

General Reserves

General reserves represents the balance of reserves transferred on merger of Axis Private Equity Limited with the Company.

Cash Flow Hedges Reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Share option outstanding

On September 11, 2025, AFL introduced its own Employee Stock Option Plan (ESOP) for eligible employees. The fair value of share-based payment transactions is estimated using an appropriate valuation model. The Company determines the cost of equity-settled transactions with option holders using the Black-Scholes Model, which calculates the fair value of options on the grant date. Key assumptions used in the model include the expected life of stock options, volatility, and dividend yield. Stock options granted under the Company's Employee Stock Option Schemes are measured at their fair value on the grant date using this model. The total expense, determined at the grant date, is recognized as employee compensation cost over the vesting period on a straight-line basis, based on the number of options expected to vest, with a corresponding increase in equity. In the event of cancellation or lapse of unvested options, the previously recognized cost is reversed in the statement of profit and loss, with a corresponding decrease in equity.

The dilutive effect of outstanding options, if any, is considered in the calculation of diluted earnings per share.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

22 Interest Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Loans (at amortised cost)	4,62,945.35	3,79,316.44
Interest income from investments (at amortised cost)	12,884.57	10,489.74
Interest income from investments (FVTPL)	2,656.09	2,430.60
Interest on Fixed Deposits with Banks	597.73	616.86
Interest on Lease Deposits	38.30	49.38
Other Interest Income	68.18	10.33
Total	4,79,190.22	3,92,913.35

23 Fees and Commission Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cheque / NACH Bouncing Charges	459.99	339.95
Pre/Part payment Charges	1,612.71	1,809.65
Foreclosure Charges	6,799.84	4,622.79
Insurance Income	3,687.86	1,748.75
Others	1,771.57	1,596.30
Total	14,331.97	10,117.44

23a Other Operating Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Recovery from Write off	4,634.65	1,788.77
Total	4,634.65	1,788.77

23b Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend Income	166.45	295.09
Advertisement Income	23.47	256.52
Interest on income tax refund	131.20	132.81
Others	0.10	-
Total	321.22	684.42

24 Net gain on fair value changes

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On trading portfolio		
Net gain on fair value changes (Realised)	1,235.10	2,735.31
Net gain on fair value changes (Unrealised)	1,341.79	(128.53)
Total	2,576.89	2,606.78

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

25 Finance Costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings	1,52,786.92	1,22,800.04
Interest on debt securities	92,828.32	78,763.68
Discount on commercial paper	12,241.84	17,175.84
Interest on subordinated liabilities	27,113.54	22,848.47
Interest on lease liabilities	130.28	140.76
Other Finance costs	1,624.07	1,571.38
Interest On Income Tax	-	9.25
Total	2,86,724.97	2,43,309.42

26 Impairment on financial instruments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Impairment on financial instruments at amortised cost		
Loans*	41,686.47	32,356.73
Investments	105.77	(41.46)
Total	41,792.24	32,315.27

*Note: It includes loan written off and settlement waiver during the year amounting to ₹ 24,814.29 Lakh (Previous Year: ₹ 15,271.80 Lakh).

27 Employee Benefits Expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages (including bonus)	35,664.34	25,201.35
Share based payments to employees	2,133.52	664.78
Contribution to provident and other funds	1,257.35	871.89
Gratuity expenses	985.90	185.96
Staff welfare expenses	917.51	498.49
Total	40,958.62	27,422.47

28 Depreciation, amortization and impairment

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Property, plant and equipment	627.63	406.94
Other Intangible assets	733.92	659.94
Right-of-use assets	753.41	962.22
Total	2,114.96	2,029.10



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

29 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent	1,103.90	619.42
Electricity expenses	170.57	182.89
Repairs and maintenance	1,035.84	673.84
Printing and stationery	113.53	106.22
Travelling and conveyance	1,488.29	1,198.75
Legal and Professional charges	5,901.90	4,319.99
CSR expenditure*	1,627.49	1,351.19
Director sitting fees	225.50	191.00
Auditors Remuneration**	95.00	95.00
Telephone and internet expenses	433.81	278.37
Business promotion	27.76	37.59
Rates & taxes	9.99	8.40
Royalty charges	762.07	615.12
Service charges	573.83	605.62
Office expenses	343.18	316.12
GST Expense out (50% of input credit)	3,413.63	2,931.01
Subscription Exps	1,924.47	936.02
Collection agency payout	2,113.78	1,308.06
Waiver Write off charges	1.02	307.75
Insurance expenses	6.84	3.55
Miscellaneous expenses	1,938.19	1,181.80
Total	23,310.59	17,267.71

* Corporate Social Responsibility expenditure (CSR)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Gross amount required to be spent by the Company during the year	1,627.49	1,351.19
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	1,627.49	1,351.19
(c) Excess/(Shortfall) at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	-	-
(f) Nature of CSR activities (activities as per Schedule VII)		
(g) Details of related party transactions		
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-
Total	1,627.49	1,351.19

** Auditors Remuneration

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit Fee	90.00	90.00
Tax Audit Fee	-	-
Certification and other fees	5.00	5.00
Reimbursement of expenses	-	-
Total	95.00	95.00

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

A) Loans and Advances

(i) Loans and advances (at amortised cost)

Particulars	March 31, 2026	March 31, 2025
Total - Gross	45,83,275.44	37,29,195.02
Less: Impairment loss allowance	(70,790.85)	(53,918.65)
Total - Net	45,12,484.59	36,75,276.37
a) Secured by tangible assets & Bank/Government Guarantees	39,22,929.88	31,63,246.89
b) Unsecured	6,60,345.56	5,65,948.13
Total - Gross	45,83,275.44	37,29,195.02
Less: Impairment loss allowance	(70,790.85)	(53,918.65)
Total - Net	45,12,484.59	36,75,276.37

Note: Facilities covered by ECLGS are clubbed according to nature of the parent loan.

(ii) Credit quality of assets

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	44,56,584.38	-	-	44,56,584.38
Past due but not impaired	-	33,769.05	-	33,769.05
Non Performing				
Individually Impaired	-	-	22,131.16	22,131.16
Total	44,56,584.38	33,769.05	22,131.16	45,12,484.59

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	36,19,335.82	-	-	36,19,335.82
Past due but not impaired	-	39,227.37	-	39,227.37
Non Performing				
Individually Impaired	-	-	16,713.18	16,713.18
Total	36,19,335.82	39,227.37	16,713.18	36,75,276.37



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(iii) Reconciliation of Gross carrying amount-loans

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	36,52,644.57	43,344.67	33,205.78	37,29,195.02
New assets originated (refer note 1 below)	24,71,264.12	-	-	24,71,264.12
Assets repaid (excluding write offs)	(15,87,201.30)	(3,477.63)	(4,709.37)	(15,95,388.30)
Transfers to Stage 1	80,278.25	(62,314.01)	(17,964.24)	-
Transfers to Stage 2	(1,13,137.88)	1,14,834.24	(1,696.36)	-
Transfers to Stage 3	(449.96)	(55,999.07)	56,449.03	-
Amounts written off	-	-	(21,795.40)	(21,795.40)
Gross carrying amount closing balance	45,03,397.80	36,388.20	43,489.44	45,83,275.44

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	30,27,248.21	30,789.52	14,473.48	30,72,511.21
New assets originated (refer note 1 below)	16,91,430.83	8,242.62	4,001.54	17,03,674.99
Assets repaid (excluding write offs)	(10,26,146.45)	(3,742.47)	(2,433.13)	(10,32,322.05)
Transfers to Stage 1	9,452.81	(4,796.58)	(4,656.23)	-
Transfers to Stage 2	(19,354.97)	19,783.02	(428.05)	-
Transfers to Stage 3	(29,985.86)	(6,931.44)	36,917.30	-
Amounts written off	-	-	(14,669.13)	(14,669.13)
Gross carrying amount closing balance	36,52,644.57	43,344.67	33,205.78	37,29,195.02

Note 1: New assets originated represents fresh disbursements made during the year. Classification of new assets originated in stage1,2,3 is based on year end staging.

(iv) Reconciliation of Expected Credit Loss (ECL)/allowance

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	33,308.75	4,117.30	16,492.60	53,918.65
New assets originated or purchased	23,583.83	-	-	23,583.83
Assets derecognised or repaid (excluding write offs)	(9,996.07)	(1,744.70)	(3,052.89)	(14,793.66)
Transfers to Stage 1	12,860.31	(5,265.39)	(7,594.92)	-
Transfers to Stage 2	(1,445.11)	1,880.67	(435.56)	-
Transfers to Stage 3	(10.51)	(14,648.42)	14,658.93	-
Impact on year end ECL of exposures transferred between stages during the year	(11,487.78)	18,279.69	22,820.32	29,612.23
Amounts written off	-	-	(21,530.20)	(21,530.20)
ECL allowance - closing balance	46,813.42	2,619.15	21,358.28	70,790.85

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	27,527.76	2,373.05	6,932.91	36,833.72
New assets originated or purchased*	16,433.12	207.73	629.37	17,270.22
Assets derecognised or repaid (excluding write offs)	(10,048.72)	(489.27)	(648.54)	(11,186.53)
Transfers to Stage 1	4,030.02	(592.72)	(3,437.30)	-
Transfers to Stage 2	(344.13)	535.00	(190.87)	-
Transfers to Stage 3	(273.02)	(191.41)	464.43	-
Impact on year end ECL of exposures transferred between stages during the year	(4,016.28)	2,274.92	27,411.73	25,670.37
Amounts written off	-	-	(14,669.13)	(14,669.13)
ECL allowance - closing balance	33,308.75	4,117.30	16,492.60	53,918.65

*New assets originated represents fresh disbursements made during the year. Classification of new assets originated in stage1,2,3 is based on year end staging.

(v) Undrawn commitment - Credit Quality of Assets

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	2,93,651.94	2,677.25	-	2,96,329.19
Non Performing				
Individually Impaired	-	-	-	-
Total	2,93,651.94	2,677.25	-	2,96,329.19

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	3,01,936.45	2,764.46	-	3,04,700.91
Non Performing				
Individually Impaired	-	-	-	-
Total	3,01,936.45	2,764.46	-	3,04,700.91

(vi) Undrawn commitment - Gross carrying amount

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,01,936.45	2,764.46	-	3,04,700.91
New assets originated	1,61,303.66	58.36	-	1,61,362.02
Assets derecognised	(1,70,321.78)	(366.42)	-	(1,70,688.20)
Transfers to Stage 1	1,753.32	(364.43)	-	1,388.89
Transfers to Stage 2	(676.36)	676.36	-	-
Transfers to Stage 3	(343.35)	(91.08)	-	(434.43)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	2,93,651.94	2,677.25	-	2,96,329.19



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,37,445.97	2,328.53	-	2,39,774.50
New assets originated	2,06,501.64	444.97	-	2,06,946.61
Assets derecognised	(1,40,553.52)	(48.18)	-	(1,40,601.70)
Transfers to Stage 1	1.77	(1.77)	-	-
Transfers to Stage 2	(185.91)	185.91	-	-
Transfers to Stage 3	(1,273.50)	(145.00)	-	(1,418.50)
Amounts written off	-	-	-	-
Gross carrying amount closing balance	3,01,936.45	2,764.46	-	3,04,700.91

B Investments

(i) Investments

Particulars	Amortised Cost	Fair Value Through Profit & Loss	Total
As at March 31, 2026			
Government Securities	72,324.59	-	72,324.59
Non-Convertible Debenture	61,634.10	-	61,634.10
Other Securities	-	10,930.30	10,930.30
Total Gross	1,33,958.69	10,930.30	1,44,888.99
Less: Impairment loss allowance	(430.99)	-	(430.99)
Total	1,33,527.70	10,930.30	1,44,458.00
As at March 31, 2025			
Government Securities	71,577.86	3,658.08	75,235.94
Non-Convertible Debenture	73,384.71	-	73,384.71
Other Securities	-	5,117.63	5,117.63
Total Gross	1,44,962.57	8,775.71	1,53,738.28
Less: Impairment loss allowance	(325.22)	-	(325.22)
Total	1,44,637.35	8,775.71	1,53,413.06

(ii) Credit quality of assets

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Performing				
Standard	1,44,458.00	-	-	1,44,458.00
Non Performing				
Individually Impaired	-	-	-	-
Total	1,44,458.00	-	-	1,44,458.00

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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

(iii) Changes in Gross carrying amount

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,53,738.28	-	-	1,53,738.28
New assets originated	5,77,104.28	-	-	5,77,104.28
Assets repaid (excluding write offs)	(5,85,953.57)	-	-	(5,85,953.57)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	1,44,888.99	-	-	1,44,888.99

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,55,182.96	-	-	1,55,182.96
New assets originated	33,318.10	-	-	33,318.10
Assets repaid (excluding write offs)	(34,762.78)	-	-	(34,762.78)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	1,53,738.28	-	-	1,53,738.28

(iv) Reconciliation of Expected Credit Loss balance (ECL)

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	325.22	-	-	325.22
New assets originated	412.26	-	-	412.26
Effect of change in estimate/ repayment	(306.49)	-	-	(306.49)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	430.99	-	-	430.99



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	366.68	-	-	366.68
New assets originated	50.84	-	-	50.84
Effect of change in estimate/ repayment	(92.30)	-	-	(92.30)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	325.22	-	-	325.22

C) Trade Receivables

(i) Trade Receivables

Particulars	March 31, 2026	March 31, 2025
Unsecured considered good	166.55	39.83
Less : Impairment loss allowance	-	-
Total - Net	166.55	39.83

(ii) Credit quality of assets

Particulars	For the year ended March 31, 2026				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Performing					
Standard	166.55	-	-	-	166.55
Non Performing					
Individually Impaired	-	-	-	-	-
Total	166.55	-	-	-	166.55

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

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(iii) Changes in Gross carrying amount

Particulars	For the year ended March 31, 2026				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Gross carrying amount opening balance	39.83	-	-	-	39.83
New assets originated	166.55	-	-	-	166.55
Assets repaid (excluding write offs)	(39.83)	-	-	-	(39.83)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Amounts written off	-	-	-	-	-
Gross carrying amount closing balance	166.55	-	-	-	166.55

Particulars	For the year ended March 31, 2025				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
Gross carrying amount opening balance	759.27	-	-	-	759.27
New assets originated	39.83	-	-	-	39.83
Assets repaid (excluding write offs)	(759.27)	-	-	-	(759.27)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Amounts written off	-	-	-	-	-
Gross carrying amount closing balance	39.83	-	-	-	39.83

(iv) Reconciliation of Expected Credit Loss balance

Particulars	For the year ended March 31, 2026				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
ECL allowance - opening balance	-	-	-	-	-
New assets originated	-	-	-	-	-
Effect of change in estimate/ repayment	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Amounts written off	-	-	-	-	-
ECL allowance - closing balance	-	-	-	-	-



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2025				
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total
ECL allowance - opening balance	-	-	-	-	-
New assets originated	-	-	-	-	-
Effect of change in estimate/ repayment	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Amounts written off	-	-	-	-	-
ECL allowance - closing balance	-	-	-	-	-

D) Collateral and other credit enhancements

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets

Type of Collateral and Credit Enhancement	As at March 31, 2026							
	Maximum exposure to credit Risk	Shares (Listed/ Unlisted)	Land and Building includes residential and commercial properties)	Other Working Capital items (includes fixed and current assets, FMPs)	Surplus Collateral	Total Collateral	Associated ECL	Net Exposure
a) Wholesale/ MSME Loans	8,357.68	-	28,782.00	3,217.00	23,641.32	31,999.00	3,705.48	4,652.19
b) Retail Loans	35,131.76	-	91,450.69	-	56,318.93	91,450.69	17,652.80	17,478.96
Total	43,489.44	-	1,20,232.69	3,217.00	79,960.25	1,23,449.69	21,358.28	22,131.16

Type of Collateral and Credit Enhancement	As at March 31, 2025							
	Maximum exposure to credit Risk	Shares (Listed/ Unlisted)	Land and Building includes residential and commercial properties)	Other Working Capital items (includes fixed and current assets, FMPs)	Surplus Collateral	Total Collateral	Associated ECL	Net Exposure
a) Wholesale/ MSME Loans	8,347.04	-	29,075.72	8,659.47	29,388.14	37,735.19	3,327.40	5,019.64
b) Retail Loans	24,858.74	-	51,378.76	-	26,520.02	51,378.76	13,165.20	11,693.54
Total	33,205.78	-	80,454.48	8,659.47	55,908.16	89,113.95	16,492.60	16,713.18



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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

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

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Level 1:

Investments in Government securities and Debt securities, Held for Trading are measured based on their quoted prices.

Level 2:

Fair value of debt securities, borrowings other than debt securities and subordinated liabilities have been estimated by discounting expected future cash flows discounting rate near to report date based on comparable rate / market observable data.

Level 3:

Fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.

32 Maturity analysis of assets and liabilities

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	1,24,415.51	-	1,24,415.51	80,125.41	-	80,125.41
Receivables	166.55	-	166.55	39.83	-	39.83
Loans	11,53,648.57	33,58,836.02	45,12,484.59	10,68,906.15	26,06,370.22	36,75,276.37
Investments	92,468.22	51,989.78	1,44,458.00	76,433.16	76,979.90	1,53,413.06
Derivative financial instruments	-	24,764.51	24,764.51	-	-	-
Other financial assets	5,824.57	7,117.53	12,942.10	5,847.06	13,393.69	19,240.75
Sub-total-Financial assets	13,76,523.42	34,42,707.84	48,19,231.26	12,31,351.61	26,96,743.81	39,28,095.42
Non-Financial Assets						
Current Tax Assets (net)	-	3,767.22	3,767.22	-	3,441.52	3,441.52
Deferred Tax Assets (net)	-	16,551.71	16,551.71	-	14,394.61	14,394.61
Property, plant and equipment	-	1,930.37	1,930.37	-	1,158.57	1,158.57
Intangible assets under development	-	157.26	157.26	-	89.48	89.48
Other Intangible Assets	-	1,996.07	1,996.07	-	1,724.11	1,724.11
Right-of-use assets	-	1,646.12	1,646.12	-	1,349.96	1,349.96
Other non-financial assets	239.45	937.95	1,177.40	85.72	1,347.25	1,432.97
Sub-total-Non-financial assets	239.45	26,986.70	27,226.15	85.72	23,505.50	23,591.22
Total - Assets	13,76,762.87	34,69,694.54	48,46,457.41	12,31,437.33	27,20,249.31	39,51,686.64

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
LIABILITIES						
Financial Liabilities						
Payables						
a) total outstanding dues to micro and small enterprises	518.47	-	518.47	324.39	-	324.39
b) total outstanding dues of creditors other than micro and small enterprises	8,143.18	-	8,143.18	4,764.89	-	4,764.89
Debt securities	4,79,853.11	8,56,303.13	13,36,156.24	4,49,308.34	8,17,514.50	12,66,822.84
Borrowings (Other than debt securities)	6,72,132.54	17,95,917.46	24,68,050.00	4,76,061.10	13,21,109.56	17,97,170.66
Subordinated Liabilities	35,223.61	3,35,128.16	3,70,351.77	-	3,23,540.80	3,23,540.80
Lease Liabilities	636.85	1,087.93	1,724.78	539.59	901.68	1,441.27
Derivative financial instruments	-	-	-	-	1,414.76	1,414.76
Other financial liabilities	35,366.07	-	35,366.07	19,102.38	-	19,102.38
Sub-total-Financial liabilities	12,31,873.83	29,88,436.68	42,20,310.51	9,50,100.69	24,64,481.30	34,14,581.99
Non-Financial liabilities						
Current tax liabilities (net)	-	2,770.87	2,770.87	-	483.33	483.33
Provisions	5,727.79	-	5,727.79	4,395.24	-	4,395.24
Other non-financial liabilities	2,256.95	-	2,256.95	1,818.71	-	1,818.71
Sub-total-Non-financial liabilities	7,984.74	2,770.87	10,755.61	6,213.95	483.33	6,697.28
Total Liabilities	12,39,858.57	29,91,207.54	42,31,066.12	9,56,314.64	24,64,964.63	34,21,279.27

Note: The Company is having undrawn commitment bank lines as on reporting date which is amounting to ₹ 2,20,000 Lakh has not been considered in the above bucketing. (March 31, 2025 : ₹ 2,10,000 Lakh)

33 The Company is obligated under various capital contracts. Capital contracts are work/purchase orders of a capital nature, which have been committed. Estimated amounts of contracts remaining to be executed on intangible assets aggregated to ₹ 1,171.15 Lakh at March 31, 2026 (March 31, 2025: ₹ 920.94 Lakh)

34 Various tax related legal proceedings are pending against the Company at various level of appeal with various appellate authorities. Where after considering all available information in the opinion of management, a liability requires accrual, the Company accrues such liability. Where such proceedings are sufficiently advanced to enable management to assess that a liability exists and are subject to reasonable estimation, management records its best estimate of such liability. Where a reasonable range of potential outcomes is estimated, management records its best estimate, or in the absence of a basis for selecting a specific estimate within a range, management records a liability no less than the lower end of the estimated range. The contested tax demands are adjusted by the tax authorities against refunds due to the Company on favorable resolution of earlier year's appeals/completion of assessments or paid. The payment/adjustment does not prejudice the outcome of the appeals filed by the Company. The advance tax payments are recorded as advance tax payments. As at March 31, 2026, the Company has assessed its contingent income tax liabilities at an aggregate amount of ₹57.54 Lakh (March 31, 2025: ₹26.40 Lakh), arising from income tax demands and related legal proceedings for prior assessment years.

Based on legal opinions obtained and favorable judicial precedents—both in the Company's own cases and in comparable matters adjudicated by courts and appellate authorities—management is of the view that it is unlikely that these demands will be sustained. Accordingly, no provision has been recognized in respect of these contingent liabilities as at March 31, 2026.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

The key disputed subject matter are detailed below:

- Alleged shortfall in deduction of tax at source (TDS), including mismatches arising from PAN related discrepancies and issues pertaining to lower or nil deduction certificates.
- Income tax demand raised on account of disallowance of set up expenditure of the merged entity, along with consequential penalty proceedings

There is one case pending against the Company which has not been acknowledged as a debt, amounting to ₹31.69 lakh. (March 2025 Three cases amounting to ₹ 218.11 Lakh)

35 Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 - 'Earnings per share'.

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
Basic			
Profit after tax as per Statement of Profit and Loss	A	81,200.03	65,247.35
Weighted Average Number of Shares	B	69,35,70,539	65,07,51,116
Face value per share		10	10
Basic Earnings per share	A/B	11.71	10.03
Diluted			
Adjusted Profit after tax	C	81,200.03	65,247.35
Weighted Average Number of Shares	D	69,35,70,539	65,07,51,116
Face value per share		10	10
Diluted Earnings per share (Refer note 1)	C/D	11.71	10.03

- Outstanding instruments, being anti-dilutive, are not included in the calculation of diluted earnings per share.

36 Related Parties disclosure:

Disclosure pursuant to Ind AS 24 - "Related Party Disclosures":

List of Related Parties:-

Holding Company

Axis Bank Limited ('ABL')

Fellow subsidiary

Axis Capital Limited

Axis Trustee Services Limited

Axis Mutual Fund Trustee Limited

Axis Asset Management Company Limited

Axis Securities Limited

A.TREDS Ltd.

Freecharge Payment Technologies Pvt. Ltd.

Freecharge Business and Technology Services Pvt. Ltd.

Axis Bank UK Ltd.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Associate of holding company

Axis Max Life Insurance Company Ltd.

Subsidiary of fellow subsidiary companies

Axis Capital USA LLC

Axis Pension Fund Mangement Limited

Key management personnel

Sai Giridhar (Managing Director & CEO)(effective 01st January 2025)

Bipin Kumar Saraf (Managing Director & CEO)(upto 31st December 2024)

Amitabh Chaudhry (Chairman)

Deepak Maheshwari (Director)

U. B. Pravin Rao (Director)

K.Narasimha Murthy (Director)

Pallavi Kanchan (Director)

N. Rajashekarani (Director) (w.e.f. 26 June 2024)

Puneet Sharma (Director) (w.e.f. 26 June 2024)

Babu Rao Busi (Director)

Biju Pillai (Wholetime Director)(upto 6th September 2024)

Amith Iyer (Chief Financial Officer)

Vishal Sharan (Wholetime Director)(w.e.f.29th may 2025)

Rajneesh Kumar (Company Secretary)

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
Transactions					
Expense					
Rent	230.11	-	-	-	230.11
	(237.28)	(-)	(-)	(-)	(237.28)
Car Parking Rent	-	-	-	-	-
	(0.35)	(-)	(-)	(-)	(0.35)
Bank charges	28.50	-	-	-	28.50
	(27.31)	(-)	(-)	(-)	(27.31)
Processing Fees	-	-	-	-	-
	(379.05)	(-)	(-)	(-)	(379.05)
Deputation Cost	-	-	-	-	-
	(17.40)	(-)	(-)	(-)	(17.40)
Other Reimbursement of Expenses	104.19	-	-	-	104.19
	(104.37)	(-)	(-)	(-)	(104.37)



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
NACH charges	76.29	-	-	-	76.29
	(67.55)	(-)	(-)	(-)	(67.55)
IPA commission charges paid	3.56	-	-	-	3.56
	(5.85)	(-)	(-)	(-)	(5.85)
IT Service fees	415.46	-	-	-	415.46
	(284.06)	(-)	(-)	(-)	(284.06)
NCD Issue Expenses	150.83	-	-	-	150.83
	(25.25)	(-)	(-)	(-)	(25.25)
Interest paid on borrowings	1,449.54	-	-	-	1,449.54
	(2,572.92)	(-)	(-)	(-)	(2,572.92)
Royalty Charges	762.07	-	-	-	762.07
	(615.12)	(-)	(-)	(-)	(615.12)
Interest paid on Non-Convertible Debentures	1,538.34	-	-	-	1,538.34
	(786.00)	(-)	(-)	(-)	(786.00)
ESOP cost	250.17	-	-	-	250.17
	(664.78)	(-)	(-)	(-)	(664.78)
Interest Paid on ECB	1,203.93	-	-	-	1,203.93
	(-)	(-)	(-)	(-)	(-)
Reimbursement of group term life premium (Axis Bank & Axis Max Life Insurance)	39.09	-	-	-	39.09
	(-)	(-)	(-)	(-)	(-)
Future service gratuity premium (Axis Max Life Insurance)	-	-	16.18	-	16.18
	(75.98)	(-)	(-)	(-)	(75.98)
Treps Charges	2.75	-	-	-	2.75
	(3.00)	(-)	(-)	(-)	(3.00)
Demat Charges (Axis Securities Limited)	-	0.71	-	-	0.71
	(-)	(4.64)	(-)	(-)	(4.64)
Brokerage paid (Axis Securities Limited)	-	4.32	-	-	4.32
	(-)	(7.88)	(-)	(-)	(7.88)
Professional fees (Axis Trustee Services Limited)	-	17.68	-	-	17.68
	(-)	(32.47)	(-)	(-)	(32.47)
Reimbursement of expenses (Axis Trustee Services Limited)	-	-	-	-	-
	(-)	(0.15)	(-)	(-)	(0.15)
Remuneration	-	-	-	781.59	781.59
	(-)	(-)	(-)	(1,900.20)	(1,900.20)
Director Sitting Fees	-	-	-	225.50	225.50
	(-)	(-)	(-)	(191.00)	(191.00)
Director Commission	-	-	-	60.00	60.00
	(-)	(-)	(-)	(57.64)	(57.64)

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
Income					
Interest on staff loan	-	-	-	7.91	7.91
	(-)	(-)	(-)	(4.35)	(4.35)
Interest on Fixed Deposits	-	-	-	-	-
	(67.74)	(-)		(-)	(67.74)
Servicing Fees	1.02	-	-	-	1.02
	(2.23)	(-)		(-)	(2.23)
Processing Fees	-	-	-	-	-
	(71.69)	(-)		(-)	(71.69)
ESOP Cost Recovery	10.08	-	-	-	10.08
	(-)	(-)	(-)	(-)	(-)
Advertisement Income (Axis Max Life Insurance)	-	-	23.47	-	23.47
	(-)	(-)	(256.52)	(-)	(256.52)
Insurance Income (Axis Max Life Insurance)	-	-	2,313.25	-	2,313.25
	-	(-)	(1,352.58)	-	(1,352.58)
Other Transactions					
ECB	42,570.00				42,570.00
	(-)	(-)	(-)	(-)	(-)
Term Loan repaid	7,544.31				7,544.31
	(-)	(-)	(-)	(-)	(-)
Capital Infusion including Securities Premium	-	-	-	-	-
	(6,650.68)	(-)	(-)	(-)	(6,650.68)
Fixed Deposits	-	-	-	-	-
	(10,000.00)	(-)	(-)	(-)	(10,000.00)
Non-Convertible Debentures	1,06,263.50	-	-	-	1,06,263.50
	(49,500.00)	(-)	(-)	(-)	(49,500.00)
During the year WCDL drawn & repaid amounting to ₹53,922.20 in Lakh					
Closing Balance/Outstanding Balances as on March 31, 2026					
Liability					
Equity Share Capital	2,46,262.50	-	-	-	2,46,262.50
	(2,46,262.50)	(-)	(-)	(-)	(2,46,262.50)
Book Overdraft	13,148.31	-	-	-	13,148.31
	(3,468.93)	(-)	(-)	(-)	(3,468.93)
Term Loan	43,859.20	-	-	-	43,859.20
	(21,403.51)	(-)	(-)	(-)	(21,403.51)



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Nature of transactions	Holding Company	Fellow Subsidiaries	Associate of Holding	Key Management Personnel	Total
Deputation Cost payable	-	-	-	-	-
	(1.50)	(-)	(-)	(-)	(1.50)
NCD Issue Expense payable	-	-	-	-	-
	(26.46)	(-)	(-)	(-)	(26.46)
Non-Convertible Debentures	52,500.00	-	-	-	52,500.00
	(49,500.00)	(-)	(-)	(-)	(49,500.00)
Royalty Charges Payable	210.00	-	-	-	210.00
	(152.00)	(-)	(-)	(-)	(152.00)
Director Commission payable	-	-	-	60.00	60.00
	(-)	(-)	(-)	(57.64)	(57.64)
Professional fees (Axis Trustee Services Limited)	-	7.02	-	-	7.02
	(-)	(13.51)	(-)	(-)	(13.51)
External Commercial Borrowing	18,967.00	-	-	-	18,967.00
	(-)	(-)	(-)	(-)	(-)
Asset					
Current Account Balance	41,290.61	-	-	-	41,290.61
	(27,381.67)	(-)	(-)	(-)	(27,381.67)
Servicing fees Receivable	0.02	-	-	-	0.02
	(0.22)	(-)	(-)	(-)	(0.22)
Insurance Income Receivable (Axis Max Life Insurance)	-	-	63.07	-	63.07
	(-)	(-)	(-)	(-)	(-)
ESOP Cost recovery	14.47	-	-	-	14.47
	(-)	(-)	(-)	(-)	(-)
Staff Loan (KMP)	-	-	-	157.26	157.26
	(-)	(-)	(-)	(104.84)	(104.84)

Note: -

1. The remuneration to the key managerial person excluding bonus provision and gratuity which is determined at actuarial basis.
2. Figures in bracket pertain to previous year.
3. Transactions shown above are excluding Goods & Services Tax.
4. Above transactions are based on contractual cash flow basis.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

36a Master Direction – Reserve Bank of IndiNon-Banking Financial Companies – Financial Statements - Presentations & Disclosures, Directions, 2025 Senior Officers

Particulars	Sanctioned as at 31 March, 2026	Sanctioned as at 31 March, 2025
Senior officers & their relatives	-	101.46
Entites associated with directors and their relative		
Directors & their relatives		

36b Details of salary and other emoluments to KMPs of the Company

Particulars	Sanctioned as at 31 March, 2026	Sanctioned as at 31 March, 2025
Short term employee benefits	724.90	757.80
Post employment benefits	-	65.70
Other long term benefits		-
Termination benefits		-
Shared-based payments	56.69	1,076.70
Total	781.59	1,900.20

37 Employee Benefits

A) Defined contribution plan (Provident fund)

Amount of ₹ in Lakh 1,164.07 (Previous Year ₹ 808.16) is recognised as expenses and included in Note 27 of “Employee Benefits expenses” in Statement of Profit and Loss.

B) Defined benefit plan (Gratuity)

The Company provides for the gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lumpsum payments to employees upon death while in the employment or on separation from employment after serving for the stipulated period mentioned under the Act. The Government of India has notified the Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the 'New Labour Codes'). These Codes have been made effective from November 21, 2025, replacing and rationalizing the 29 existing labour laws. Accordingly, as on March 31, 2026, pursuant to the amendments to Code on Wages, 2019 and Code on Social Security, 2020 and based on the management's assessment and Actuarial valuation, the Company has provided an additional liability of ₹ 652 Lakh towards gratuity. The Company makes the contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its gratuity fund.

The Company has invested fund in New Group Gratuity Cash Accumulation Plan with Life Insurance Corporation of India.

These plans typically expose the Company to Actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. No other post-retirement benefit are provided to the employees.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Investment risk :

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk :

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk :

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk :

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

1) Amount recognized in employee cost:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	328.47	176.20
Interest cost on benefit obligation	96.03	64.48
Expected return on plan assets	(73.86)	(56.85)
Past service cost	652.66	-
Transferred from group Company	-	-
Net benefit expense/(income)	1,003.30	183.83

2) Amount recognized in Other Comprehensive Income (OCI):

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net actuarial (gain)/loss recognized in the year	17.79	163.55
Return on Plan Assets, Excluding Interest Income	67.71	(1.89)
Net benefit (income)/expense for the year recognized in OCI	85.50	161.66

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3) Amount recognized in Balance Sheet:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Projected benefit obligation	(2,052.02)	(1,081.52)
Fair value of plan assets	1,832.28	928.26
Funded Status (Surplus/ (Deficit))	(219.74)	(153.26)
Plan assets/(liability)	(219.74)	(153.26)

4) Actual return on plan assets

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expected return on plan assets	73.86	56.85
Actuarial gains/(losses) on plan assets	(67.71)	1.89
Actual Return on plan assets	6.15	58.74

5) Reconciliation of net assets and liability

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net defined benefit liability/(asset) as at the beginning of the year	153.26	105.83
Expense charged to Statement of Profit and Loss	986.42	183.83
Amount recognised in Other Comprehensive Income	85.50	161.65
Employers contribution	(1,005.44)	(298.05)
Net defined benefit liability/(asset) as at the end of the year	219.74	153.26

6) Reconciliation of balances of Defined Benefit Obligation:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening projected benefit obligation	1,081.52	894.28
Interest cost	96.04	64.48
Current service cost	328.47	176.20
Past Service Cost - Vested Benefit Incurred during the period	652.66	-
Liability Transferred In/ Acquisitions	(16.90)	-
Benefit Paid From the Fund	(107.56)	(216.99)
Actuarial (gains)/losses on obligation	17.79	163.55
Closing projected benefit obligation	2,052.02	1,081.52



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

7) Projected Benefits Payable in Future Years From the Date of Reporting:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1 st Following Year	70.81	19.84
2 nd Following Year	47.80	24.53
3 rd Following Year	72.55	28.09
4 th Following Year	159.63	48.62
5 th Following Year	100.60	124.07
Between 6 To 10 Years	549.16	262.75
10 Years and above	5,021.81	2,490.19

8) Reconciliation of balances of the fair value of plan assets are as follows:

Particulars	March 31, 2026	March 31, 2025
Opening fair value of plan assets	928.25	788.45
Expected return	73.86	56.85
Contributions by employer	1,005.44	298.05
Benefits paid	(107.56)	(216.99)
Actuarial gains/(losses)	(67.71)	1.89
Closing fair value of plan assets	1,832.28	928.25

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

Particulars	March 31, 2026	March 31, 2025
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	March 31, 2026	March 31, 2025
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate	7.27%	6.79%
Expected rate of return on assets	7.27%	6.79%
Employee turnover		
For service 2 years and below	29.00%	29.00%
For service 3 years to 4 years	11.00%	11.00%
For service 5 years and above	2.00%	2.00%
Salary escalation rate	7.00%	7.00%

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

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Amounts for the current and previous four periods are

Particulars	2025- 2026	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022
Projected benefit obligation	2,052.02	1,081.52	894.28	610.17	368.00
Plan assets	1,832.28	928.25	788.45	483.38	340.31
(Surplus) /deficit	(219.74)	(153.26)	105.84	126.79	27.69
Experience adjustments on plan liabilities	-	-	-	-	-
Experience adjustments on plan assets	-	-	-	-	-

Expected cash flow for the following year:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expected payment contributions to the plan for next annual reporting period	700.04	400.91

The weighted average duration of defined benefit obligations as at 31 March 2026 is 12 years (Previous Year : 12 years)

10) Sensitivity Analysis

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Projected Benefit Obligation on Current Assumptions	2,052.02	1,081.52
Delta Effect of +1% Change in Rate of Discounting	(229.29)	(124.54)
Delta Effect of -1% Change in Rate of Discounting	273.29	148.88
Delta Effect of +1% Change in Rate of Salary Increase	213.67	122.44
Delta Effect of -1% Change in Rate of Salary Increase	(192.78)	(106.80)
Delta Effect of +1% Change in Rate of Employee Turnover	8.99	(1.30)
Delta Effect of -1% Change in Rate of Employee Turnover	(12.08)	0.87

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

C) The Company does not have any leave encashment policy for its employees.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

38 Provisions and Contingencies

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Provisions for impairment on Investment	105.77	(41.46)
Provision towards loan assets (Stage 3)	4,865.67	9,559.68
Provision made towards Income tax	28,516.48	22,472.20
Bad Debts Written off	24,814.27	15,271.80
Provision for Standard Assets (Stage 1 & Stage 2)	12,006.53	7,525.25

39 Leases:

A) Amounts recognised in the Balance sheet

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gross carrying value	4,759.99	4,561.18
Addition	1,061.92	198.81
Deletion	(12.35)	-
Translation adjustments	-	-
Gross carrying value	5,809.56	4,759.99
Accumulative depreciation		
Opening Balance	3,410.03	2,447.80
Depreciation	753.41	962.23
Translation adjustments	-	-
Closing Balance	4,163.44	3,410.03
Net carrying value	1,646.12	1,349.96

B) The following is the movement in lease liabilities during the year ended March 31, 2026

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Lease Liabilities	1,441.27	2,132.58
Additions/accrued	999.28	189.60
Interest on lease liabilities	130.27	140.78
Deletions	(13.81)	-
Payment towards Lease Liability (Principal & Interest)	(832.23)	(1,021.69)
Closing Lease Liabilities	1,724.78	1,441.27

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Amounts recognised in Statement of profit and Loss during the year ended March 31, 2026

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets	753.41	962.23
Interest expense on lease liabilities	130.27	140.78
Total	883.68	1,103.01

Total cash outflow for leases:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow for lease	832.23	1,021.69
Total	832.23	1,021.69

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, on an undiscounted basis

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than 1 year	636.85	539.59
1-3 years	1,077.96	763.04
3-5 years	9.97	138.63
More than 5 years	-	-
Balance as at 31 March	1,724.78	1,441.26

While measuring the lease liabilities, the Company discounted lease payments using its incremental borrowings rate at average rate of 7.55% p.a. The weighted average rate applied ranges between 7.22% p.a. to 8.05% p.a.

40 Basis the information available there are no transactions with Struck off Companies during the year ended March 31, 2026 (March 31, 2025 - Nil)

41 Analytical Ratios

Ratio	Numerator	Denominator	31 March, 2026	31 March, 2025	% Variance	Reason for Variance
Capital to risk-weighted assets ratio (CRAR)	9,36,612.99	47,68,841.00	19.65%	20.90%	-6.01%	NA.
Tier I CRAR	6,58,490.71	47,68,841.00	13.82%	14.55%	-5.07%	NA.
Tier II CRAR	2,78,122.29	47,68,841.00	5.83%	6.35%	-8.16%	NA.
Debt Equity Ratio	41,74,558.01	6,15,391.28	6.78	6.39	0.39	NA.
Liquidity Coverage Ratio			485.76%	426.17%	13.98%	NA.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

42 Key Ratios for the year ended

Particulars	March 31, 2026	March 31, 2025
Return on Equity Ratio	14.17%	13.92%
Net Profit Ratio	16.09%	15.91%
Return on Capital Employed	1.86%	1.83%

43 Revenue from contract with customers (Ind AS 115)

Particulars	March 31, 2026	March 31, 2025
Type of Services		
Cheque / NACH Bouncing Charges	459.99	339.95
Pre/Part payment Charges	1,612.71	1,809.65
Foreclosure Charges	6,799.85	4,622.79
Miscellaneous fees	1,049.16	1,163.69
Others	4,410.26	2,181.36
Total	14,331.97	10,117.44
Geographical markets		
India	14,331.97	10,117.44
Outside India	-	-
Total	14,331.97	10,117.44
Timing of revenue recognition		
Services transferred at a point in time	14,331.97	10,117.44
Services transferred over time	-	-
Total	14,331.97	10,117.44

44 Risk Management

Risk Profile

The Company has operations within India. It is exposed to various kind of risks such as credit risk, liquidity risk, market risk, operational risk, business risk, etc. While risk is inherent to the Company's activities, it is managed through a comprehensive risk management framework that includes identification of risks and laying out of controls in the form of various risk limits to prudently monitor and manage different risks to ensure resilience. Risk management is critical to the Company's continuing profitability and sustainable growth.

Risk Management Structure

The Board of Directors are responsible for the overall risk management approach, approving the risk management strategies & principles, and exercise of oversight on establishment, monitoring & integration of risk management framework within organization.

The Risk Management Committee is responsible for formulating the Company's risk strategy and appetite, ensuring sound risk policies and practices, establishing and monitoring risk limits across key risk categories, and overseeing compliance with all applicable RBI and regulatory risk management requirements.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

The Risk Department is responsible for monitoring compliance with risk policies and limits.

Business units are primarily responsible for management of risk in their respective units, including monitoring the risk of exposures against limits and the assessment of risks of transactions. Exceptions / breach of limits are reported to the management and the Risk Management Committee.

The Treasury Department is responsible for managing the liabilities and the overall capital structure. It is also primarily responsible for the funding and liquidity risks.

The Risk management processes are audited annually by the internal auditors, which examine the adequacy of the processes and compliance with the limits. The internal auditors discuss the results of all assessments with the management. Observations and recommendations of the internal auditors are reported to the Audit Committee of the Board.

The Company's capital management guidelines ensure maintenance and management of prudent capital levels to support the desired balance sheet growth and provide a cushion against unexpected losses.

Managing liquidity positions is vital for the Company's effective operations. The management monitors the liquidity position on an ongoing basis and also examines how liquidity requirements are likely to evolve under different scenarios. The Asset Liability Management Committee (ALCO) considers the current economic and market environment, near-term business growth projections and long-term strategic business decisions for determining the appropriate mix of funding sources to ensure liquidity is managed prudently.

Risk Measurement and Reporting

Monitoring and controlling risks is performed through compliance against the limits established by the Company at different levels. These limits reflect the business strategy of the Company, market environment in which the Company operates as well as the level of risk the Company is willing to accept, with additional emphasis on exposure to selected sectors/category of customers, liquidity position and capital adequacy position. Information in this regard is presented to the senior management on a monthly basis and to the Risk Management Committee of the Board on a quarterly basis.

Excessive Risk Concentration

Concentration arises when Company has exposure to a number of counterparties that are engaged in similar business activities or operate in the same region or have similar features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. In order to avoid excessive concentration of risk, the Company's policies include limits / guidelines on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit Risk

Credit risk is the risk that the Company will incur a loss because its borrowers fail to fulfil their contractual obligations. The Company has robust underwriting mechanism for loans and investments. It manages and controls its credit risk by setting limits on the amount of exposure for individual counterparties & groups, products, geographies, etc. and by monitoring exposures in relation to such limits. It actively uses collaterals to reduce the credit risk. Credit quality review of individual exposures is undertaken for timely identification of deterioration in creditworthiness of counterparties, including that of collaterals. Portfolio level reviews are also undertaken as part of risk management framework to effectively manage credit risk at a macro level.

Impairment Assessment

a) Definition of Default and Cure

The Company considers a loan as defaulted and therefore classified as Stage 3 (credit impaired) for ECL calculation in all cases when contractual payments are overdue for more than 90 days. Also, any loan facility which has been restructured / where the Company has exercised forbearance is considered as Stage 3.

As part of qualitative assessment of whether a customer is in default, the Company also considers other instances that may indicate unlikeliness to pay.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

An asset classified as Stage 3 when contractual payments are overdue for more than 90 days, shall be moved out from Stage 3 upon payment of all irregularities. Restructured assets shall be moved out from Stage 3 on adherence of restructuring terms, subject to a cooling period of 1 year.

b) Probability of Default (PD) Estimation

It is an estimate of the likelihood of default over a given time horizon. In order to estimate / source the PDs, studies on defaults by external rating agencies available in public domain, observed default rate of the loan portfolio segments for the company and experience of the Parent (Axis Bank Limited) for similar loan portfolio segments are taken into account.

c) Exposure at Default (EAD)

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments.

d) Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral.

Significant Increase in Credit Risk

The Company considers an exposure to have significantly increase in credit risk when contractual payments are overdue for more than 30 days.

As part of qualitative assessment of whether a customer is exhibiting significant increase in credit risk, the Company also considers other instances that may indicate that there has been a significant deterioration in the customer's ability and willingness to pay.

Grouping Financial Assets

The Company calculates Expected Credit Loss (ECL) for loan assets at an individual client basis, based on the nature of the loan product. ECL for other assets and all Stage 3 assets is also calculated on an individual basis.

Analysis of Risk Concentration

The Company's risk concentration is managed by client / counterparty limits. The maximum credit exposure to any client or counterparty was ₹30,470.80* Lakh as at March 31, 2026 (March 31, 2025 ₹29,890.81.00 Lakh). Total exposure to 20 largest customers constituted 8.21% of the Company's total credit exposure as at March 31, 2026.

*Exposure include interest as well

Credit Risk Exposure Analysis

Particulars	For the year ended March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Loans	45,03,397.80	36,388.20	43,489.44	45,83,275.44
Investments	1,44,458.00	-	-	1,44,458.00

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Credit Risk Exposure Analysis at Amortized Cost

Particulars	For the year ended March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Loans & Advances	36,52,644.57	43,344.67	33,205.78	37,29,195.02
Investments	1,53,738.28	-	-	1,53,738.28

Collateral and Other Credit Enhancements

In order to mitigate the credit risk, the Company obtains collaterals, depending upon the assessment of credit risk at the individual loan account level. The Company has adopted guidelines for valuation and acceptability of each type of collateral.

Collateral obtained include debentures, bonds, debt mutual fund units, real estate properties, fixed assets, escrow of specific receivables / cash flows. The Company also obtains personal / corporate guarantees from key promoters and parent / group companies for loans to their subsidiaries / group companies.

The management monitors the market value of collateral and additional collateral is obtained in case of a breach in the stipulated security cover in accordance with the loan agreement.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due, as a result of mismatches in the timing of cash flows. The Company has arranged for funding through diversified sources and adopted a policy of managing cash flows and monitoring liquidity through various measures like limits on cumulative mismatches, stock ratios etc. to limit this risk. The Company has also adopted a Contingency Funding Plan, which is tested on an annual basis and the test results are placed before the Risk Management Committee of the Board.

Company manages its liquidity risk in line with its Board approved policies which contain conditions laid down by the regulator and ensures availability of adequate liquidity cushion in case of stressed market environment.

Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers repay earlier than contracted. The Company has an option to levy a pre-payment penalty in such cases, wherever sanction terms provide for the same.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. The Company held Government securities as part of its Trading Portfolio during the year. The trading position is monitored regularly by the Risk department as part of Interest Rate Risk Management and adherence to stop loss limits is ensured.

Interest Rate Risk

The Company has set up an Earnings at Risk limit for managing the Interest Rate Risk in the lending book which is monitored by the Asset Liability Management Committee (ALCO)

The Gap i.e. the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket upto 1 year is used as a measure of interest rate sensitivity. A Gap Report is generated by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

A positive Gap indicates that RSAs are more than RSLs whereas negative Gap indicates that RSLs are more than RSAs. Limits have been defined in Asset Liability Management policy to monitor the position of gaps in each bucket.

The following table indicates the sensitivity of Net Interest Income to interest rate shocks as per Earnings at Risk model that considers AFL's Rate sensitive assets and Rate sensitive liabilities up to 1 year time buckets:

Increase / Decrease in basis points	Sensitivity of Net Interest Income	
	2025-26	2024-25
+/- 20 bps	- ₹2799 Lakh / + ₹2799 Lakh	- ₹2116 Lakh / + ₹2116 Lakh
+/- 30 bps	- ₹4199 Lakh / + ₹4199 Lakh	- ₹3174 Lakh / + ₹3174 Lakh

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment. The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, systems, people or external events. The Company cannot expect to eliminate all operational risks. However, it manages these risks through a control framework. Controls include defined process and framework across all units, system access, authorization and reconciliation procedures and assessment processes such as the use of internal audit and concurrent audit.

Impairment of Financial Assets

The Company records allowance for expected credit losses (ECL) for all loans and debt investments, together with loan commitments to customers.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss. Both life time expected credit loss and 12 months' expected credit loss are calculated on individual loan / instrument basis.

At the end of each reporting period, the Company performs an assessment of whether the loan's / investment's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the asset.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as under:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months' expected credit loss. Stage 1 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 2 or Stage 3

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for the life time expected credit loss. Stage 2 loans also include facilities where the credit risk has improved and the loan has been re-classified from Stage 3.

Stage 3: When a loan is credit impaired, the Company records an allowance for the credit loss basis loss given default.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Calculation of Expected Credit Losses (ECL)

The Company calculates ECL to measure the expected cash shortfall, discounted at the Effective Interest Rate (EIR). Expected cash shortfall is the difference between the cash flows that are contractually due to the Company and cash flows that the Company expects to receive.

Key elements considered for ECL calculation are as under:

Probability of Default (PD): It is an estimate of the likelihood of default over a given time horizon. In order to estimate / source the PDs, studies on defaults by external rating agencies available in public domain, observed default rate of the loan portfolio segments for the company and experience of the Parent (Axis Bank Limited) for similar loan portfolio segments are taken into account.

Exposure at Default (EAD): EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest, whether contractually scheduled or otherwise and expected drawdown on committed loan facilities and accrued interest from missed payments

Loss Given Default (LGD): LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any security.

ECL is calculated as under:

Stage 1: The Company calculates the 12 months' ECL based on the expectation of a default occurring within 12 months from the reporting date. The expected 12-month PD is applied to the EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown significant increase in credit risk since origination, the Company records an allowance for life time expected credit loss.

Stage 3: For loans considered credit impaired, life time ECL is recognized.

Forward Looking Information

In computation of ECL, the Company considers historical loss rates on the portfolio over a period which covers most external factors such as equity prices, property prices, collateral valuations, interest rates, etc. The management believes that there is no correlation directly with external events on loan repayment by the customers. Accordingly, no analysis has been performed.

Collateral Valuation

To mitigate the credit risk on loans / investments, the Company seeks to use collateral, where possible. The collateral may be in the form of receivables, mutual funds, bonds, real estate and guarantees.

Fair value of the collateral affects the calculation of ECL. It is assessed at inception of the loan and re-assessed every 3 years as per internal guidelines. However, quoted financial securities are valued daily.

Write-offs

Financial assets are written-off either partially or in their entirety when the Company has stopped pursuing recovery or where the chances of recovery are low. The Company has written-off loans to the extent of ₹ 4612.28 Lakh during the year (Previous Year: 3047.55).



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Disclosure on Liquidity Risk 31 March, 2026

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at March 31, 2026 is as follows:

i. Funding Concentration based on Significant Counterparty:

Number of Significant Counterparties	Amount (₹ Lakh)	% of Total Deposits	% of Total Liabilities
16	28,28,952.19	N.A.	66.86%

Notes:

- Significant Counterparty - a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

ii. Top 20 Large Deposits (amount in ₹ Lakh and % of Total Deposits): Not Applicable

iii. Top 10 Borrowings:

Amount (₹ Lakh)	% of Total Borrowings
24,16,238.68	57.88.%

iv. Funding Concentration based on Significant Instrument/Product:

Sr. No.	Name of the Instrument/Product	Amount (₹ Lakh)	% of Total Liabilities
1	Term Loans	22,28,765	52.68%
2	ECB	2,39,285	5.66%
3	Working Capital/ Line of Credit/ Overdraft	-	0.0%
4	CP	1,37,8901,	3.26%
5	NCD	15,68,618	37.07%
		41,74,558	98.67%

Notes:

- Significant Instrument/Product - a single instrument/product or group of similar instruments/products which in aggregate amount to more than 1% of the company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

v. Stock Ratios:

Sr. No.	Stock Ratios	%
A)	I) Commercial Papers as a % of Total Public Funds	3.30%
	II) Commercial Papers as a % of Total Liabilities	3.26%
	III) Commercial Papers as a % of Total Assets	2.85%
B)	I) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	NIL
	II) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	NIL
	III) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	NIL

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Sr. No.	Stock Ratios	%
C) I)	Other Short-Term Liabilities as a % of Total Public Funds	26.38%
II)	Other Short-Term Liabilities as a % of Total Liabilities	26.03%
III)	Other Short-Term Liabilities as a % of Total Assets	22.72%

Notes:

- Total Public Funds to be computed as Gross Total Debt (Outstanding Amounts of TLs, ECB, WC/LOC/OD facilities, CPs and NCDs).
- Other Short-term Liabilities – Total Liabilities due within a year less CPs and NCDs (Original maturity of less than one year) repayment due within a year.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus. Total Assets taken as the Balance Sheet figure

vi. Institutional set-up for Liquidity Risk Management:

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by AFL including liquidity risk. The meetings of RMC are held at quarterly intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its quarterly meetings for its noting.

Disclosure on Liquidity Risk 31 March, 2025

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at March 31, 2025 is as follows:

vii. Funding Concentration based on Significant Counterparty

Number of Significant Counterparties	Amount (₹ Lakh)	% of Total Deposits	% of Total Liabilities
17	22,81,364.61	N.A.	66.67%

Notes:

- Significant Counterparty - a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

viii. Top 20 Large Deposits (amount in ₹ Lakh and % of Total Deposits): Not Applicable

ix. Top 10 Borrowings:

Amount (₹ Lakh)	% of Total Borrowings
18,95,850	55.97%

x. Funding Concentration based on Significant Instrument/Product:

Sr. No.	Name of the Instrument/Product	Amount (₹ Lakh)	% of Total Liabilities
1	Term Loans	16,24,438	47.47%
2	ECB	1,72,733	5.05%
3	Working Capital/ Line of Credit/ Overdraft	-	0.0%
4	CP	1,95,599	5.72%
5	NCD	13,94,764	40.76%
		33,87,534	98.99%

Notes:

- Significant Instrument/Product – a single instrument/product or group of similar instruments/products which in aggregate amount to more than 1% of the company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

xi. Stock Ratios:

Sr. No.	Stock Ratios	%
A)	I) Commercial Papers as a % of Total Public Funds	5.77%
	II) Commercial Papers as a % of Total Liabilities	5.72%
	III) Commercial Papers as a % of Total Assets	4.95%
B)	I) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	NIL
	II) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	NIL
	III) Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	NIL
C)	I) Other Short-Term Liabilities as a % of Total Public Funds	22.87%
	II) Other Short-Term Liabilities as a % of Total Liabilities	22.64%
	III) Other Short-Term Liabilities as a % of Total Assets	19.61%

Notes:

- Total Public Funds to be computed as Gross Total Debt (Outstanding Amounts of TLs, ECB, WC/LOC/OD facilities, CPs and NCDs).
- Other Short-term Liabilities – Total Liabilities due within a year less CPs and NCDs (Original maturity of less than one year) repayment due within a year.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus. Total Assets taken as the Balance Sheet figure.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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

Particulars	Financial year 2025-26										Total
	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	
Advances	56,317.40	5,508.35	40,776.90	86,831.75	91,553.82	3,70,630.66	5,02,029.69	12,86,694.93	5,37,881.39	15,34,259.70	45,12,484.59
Investments	1,811.89	-	-	68,806.07	20,468.75	562.50	819.01	33,343.75	6,331.87	12,314.16	1,44,458.00
Borrowings ³	98.51	11,319.64	66,533.95	1,02,776.49	1,55,784.63	2,95,915.85	5,54,780.19	19,43,103.85	6,62,841.35	3,81,403.55	41,74,558.01
Foreign currency asset	-	-	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	1,237.25	774.71	186.00	-	-	2,36,109.17	-	-	2,38,307.13

- 1) The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the ALCO committee and relied upon by the auditors
- 2) The Company is having undrawn commitment bank lines as on reporting date which is amounting to ₹ 2,20,000 Lakh has not been considered in the above bucketing.
- 3) Borrowings includes foreign currency liabilities

Particulars	Financial year 2024-25										Total
	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 months	Over 6 month & upto 1 years	Over 1 year and upto 3 years	Over 3 years & upto 5 years	Over 5 years	
Advances	35,178.89	3,197.91	25,295.19	52,951.85	69,909.42	3,32,010.09	5,50,362.81	14,01,588.23	5,14,094.30	6,90,687.68	36,75,276.37
Investments	10,637.78	-	-	60,761.80	869.00	2,124.20	2,040.38	49,536.00	12,710.00	14,733.90	1,53,413.06
Borrowings ³	3,276.30	12,538.86	77,560.76	1,02,489.68	77,814.72	2,01,562.00	4,63,748.81	15,19,342.41	6,39,312.21	2,89,888.55	33,87,534.30
Foreign currency asset	-	-	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	-	-	-	-	-	1,72,732.78	-	-	1,72,732.78

- 1) The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the ALCO committee and relied upon by the auditors
- 2) The Company is having undrawn commitment bank lines as on reporting date which is amounting to ₹ 2,10,000 Lakh has not been considered in the above bucketing.
- 3) Borrowings includes foreign currency liabilities



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

- 46** Disclosure pursuant to RBI Notification - RBI/2021-22/47 DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 and RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 amended from time to time:-

Type of borrower	FY 2024-25				
	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30th September 2025	Of (A), aggregate debt that slipped into NPA during the period	Of (A) amount written off during the Period	Of (A) amount paid by the borrowers during the Period	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31st March, 2026
Personal Loans	273.11	-	-	2.73	272.81
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	600.84	-	-	173.82	427.03
Total	873.95	-	-	176.55	699.84

Type of borrower	FY 2024-25				
	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30th September 2024	Of (A), aggregate debt that slipped into NPA during the Period	Of (A) amount written off during the Period	Of (A) amount paid by the borrowers during the Period	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31st March 2025
Personal Loans	274.99	-	-	0.48	279.22
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	658.49	-	-	43.35	619.36
Total	933.48	-	-	43.83	898.58

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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

(A) Particulars	March 31, 2026			March 31, 2025		
	To Banks	To Others	Total	To Banks	To Others	Total
Number of loans sold	492	432	924	407	295	702
Aggregate amount (₹ in Lakh)	32,363.54	20,662.65	53,026.19	40,449.57	26,519.22	66,968.79
Sale consideration (₹ in Lakh)	32,363.54	20,662.65	53,026.19	40,449.57	26,519.22	66,968.79
Number of transactions	2	2	4	7	6	13
Weighted average maturity (remaining)	176.07	183.78	179.07	145.33	102.67	128.44
Weighted average holding period (after origination)	17.43	15.67	16.74	11.60	11.17	11.43
Retention of beneficial economic interest (average)	10%	11.28%	10.50%	18%	43%	30%
Coverage of tangible security coverage	100%	100%	100%	100% to 125%	100% to 200%	100% to 200%
Rating wise distribution of rated loans	N.A	N.A	N.A	A, BB, A-	A-, BBB, BBB+	A, A-, BB, BBB, BBB+
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NIL	NIL	NIL	NIL	NIL	NIL
Number of transferred loans replaced	N.A	N.A	N.A	N.A.	N.A.	N.A.

The Company has not acquired any credit impaired loans

(B) Pool acquired (not in default) through assignment during year ended 31st March 2026

Particulars	March 31, 2026	March 31, 2025
Number of loans acquired	3.00	5,872.00
Aggregate amount (₹ in Lakh)	14,900.00	21,728.30
Sale consideration (₹ in Lakh)	14,900.00	21,728.30
Number of transactions	2.00	6.00
Weighted average maturity in months (remaining)	93.64	87.37
Weighted average holding period in months (after origination)	7.49	12.63
Retention of beneficial economic interest (average)	31.48%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	BBB/A	N.A.
Number of instances (transactions) where transferor has agreed to replace the transferred loans	NIL	NIL
Number of transferred loans replaced	N.A.	N.A.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(C) Details of stressed loans transferred during the year

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees
Number of loans sold	43.00	NA	NA
Aggregate principal outstanding of loans transferred	2,718.31	NA	NA
Weighted average residual tenor of the loans transferred	15.08	NA	NA
Net book value of loans transferred (at the time of transfer)	2,135.48	NA	NA
Aggregate consideration	1,483.65	NA	NA
Additional consideration realized in respect of accounts transferred in earlier years	Nil	NA	NA

- In addition to above, the Company has transferred 13 written off loans amounting to ₹ 301.12 Lakh for a sale consideration of ₹164.35 Lakh.

48 Information related to Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company. There is an outstanding balance of ₹518.47 Lakh due to such parties at year end. (March 31, 2025 ₹ 324.39 Lakh).

Details of dues to Micro, Small and Medium Enterprises

As per the confirmation received from the parties following is the status of MSME parties.

Particulars	March 31, 2026	March 31, 2025
The Principal amount remaining unpaid at the end of the year (Refer note 1 below)	518.47	324.39
The Interest Amount remaining unpaid at the end of the year	-	-
Interest paid along with amount of payment made to the supplier beyond the appointed day	-	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day	-	-
Amount of interest accrued and remaining unpaid	-	-
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
	518.47	324.39

Note 1) Includes unbilled amount of ₹ 518.47 Lakh (March 31, 2024 : ₹ 324.39 Lakh)

49 Capital to Risk-Asset Ratio (CRAR)

- The primary objectives of the Company's capital management policy is to ensure that the Company complies with RBI norms on capital adequacy requirements and maintains healthy capital ratios in order to support its business and to maximise shareholder value.
- The Company manages its capital structure and makes adjustments to it according to changes in economic and risk conditions and regulatory requirements. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.
- Tier I Capital consists of share capital, securities premium, retained earnings including current year profit less dividend distribution and reduced by deferred expenses, deferred taxes and intangible assets.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

4. Tier II Capital consists of impairment provisions on financial instruments (assets) and subordinate debt.
5. Aggregate risk weighted assets:
Under RBI guidelines, the degree of credit risk expressed as percentage weightage have been assigned to each of the on-balance sheet assets and off-balance sheet assets. Hence the value of each of the on-balance sheet assets and off-balance sheet assets required to be multiplied by the relevant risk weight to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.
6. The Company's capital adequacy ratio, calculated in accordance with the Reserve Bank of India guidelines and disclosed using Ind-AS terminology, is as follows:

Capital to Risk-Asset Ratio (CRAR)

Particulars	As at March 31, 2026	As at March 31, 2025
CRAR- Tier I Capital	658,490.71	563,664.05
CRAR- Tier II Capital	278,122.29	245,962.51
Total Capital	936,612.99	809,626.56
CRAR (%)	19.65%	20.90%
CRAR- Tier I Capital (%)	13.82%	14.55%
CRAR- Tier II Capital (%)	5.83%	6.35%
Amount of subordinated debt raised as Tier-II Capital	30,000.00	60,000.00
Percentage of the amount of PDI of the amount of its Tier I Capital	13.97%	14.96%
Amount raised by issue of Perpetual Debt Instruments	15,000.00	15,000.00

50 Exposure* to Real Estate Sector

Particulars	As at March 31, 2026	As at March 31, 2025
i) Direct exposure		
a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	10,84,274.69	9,51,888.94
b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	13,64,079.69	9,61,150.81
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	24,48,354.38	19,13,039.75

*Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025, Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure (including underwriting and similar commitments). The sanctioned limits or outstandings, whichever are higher, has been reckoned for arriving at the exposure limit.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

51 Exposure* to Capital Market

Particulars	As at March 31, 2026	As at March 31, 2025
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	9,208.81	5,117.63
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	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
i) Category I	-	-
ii) Category II	-	-
iii) Category III	-	-
Total Exposure to Capital Market	9,208.81	5,117.63

* As per Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, Exposure includes credit exposure (funded and non-funded credit limits) and investment exposure (including underwriting and similar commitments). The sanctioned limits or outstandings, whichever are higher, has been reckoned for arriving at the exposure limit.

52 During the year ended March 31, 2026, management has detected and reported certain accounts as frauds amounting to ₹579.62 Lakh. Certain accounts with balances of ₹48.91 Lakh have been written off based on the management's judgement of recoverability. The balance amount of ₹530.71 Lakh have been provided for according to the policy of the Company

53 The exposure to a single borrower and group borrower does not exceed during the year, the limit prescribed by the Reserve Bank of India, concentration norms applicable to NBFCs. (Previous year - Nil)

54 There are no advances/projects financed by the Company wherein intangible security such as rights, licenses, authorizations etc. are charged as collateral as at March 31, 2026 & March 31, 2025

55 There are no registrations obtained from other financial sector regulator (other than RBI) by the Company in the current year. The Company has received a Certificate of Registration from IRDAI to act as Corporate Agent (Composite) (registration code – CA0903) dated 05-Feb-2024.

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

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

57 CREDIT RATING - During the year under review rating agencies reaffirmed/issued ratings to the companies as under:

For the year ended 31 March 2026

FACILITY	CRISIL	CARE Ratings	INDIA RATINGS	Brickwork Ratings	Amount (₹ in crores)
Non-Convertible Debenture	CRISIL AAA/ STABLE	CARE AAA/STABLE	IND AAA / Stable	NA	CRISIL - 15,326.40
					CARE- 23,000
					INDIA RATING - 17,010
Principal protected Market linked Debentures	NA	CARE AAA/STABLE	CARE AAA / Stable	NA	CARE - 1,500
Subordinated Debt	CRISIL AAA/ STABLE	CARE AAA/STABLE	IND AAA / Stable	NA	CRISIL - 3,500
					CARE-3,500
					INDIA RATING - 3,470
Perpetual Debt	CRISIL AAA/ STABLE	CARE AAA/STABLE	NA	BWR AAA/ Stable	CRISIL - 1,200
					CARE-2,000
					BRICKWORK RATING - 300
Long Term Bank Loan	NA	NA	IND AAA/STABLE	NA	India Rating 32,000
Short Term Bank Loan	NA	NA	IND A1+	NA	India Rating 2,000
Bank Lines Long Term / Short Term	NA	CARE AAA/STABLE/ CARE A1+	NA	NA	CARE- 15,000
Commercial paper	CRISIL A1+	NA	IND A1+	NA	CRISIL - 6,000
					CRISIL - 1,000*
					INDIA RATING - 6,000
					INDIA RATING - 1,000*

* CP is assigned for application on proprietary account under the commercial paper programme.

For the year ended 31 March 2025

FACILITY	CRISIL	CARE Ratings	INDIA RATINGS	Brickwork Ratings	Amount (₹ in crores)
Non-Convertible Debenture	CRISIL AAA/ STABLE	CARE AAA/STABLE	IND AAA / Stable	NA	CRISIL - 17,606.40
					CARE- 23,000
					INDIA RATING - 17,385
Principal protected Market linked Debentures	NA	CARE AAA/ STABLE	IND AAA / Stable	NA	India Rating - 30 CARE - 1,500
Subordinated Debt	CRISIL AAA/ STABLE	CARE AAA/ STABLE	IND AAA / Stable	NA	CRISIL - 3,500
					CARE-3,500
					INDIA RATING - 3,470
Perpetual Debt	CRISIL AAA/ STABLE	CARE AAA/ STABLE	NA	BWR AAA/ Stable	CRISIL - 1,200
					CARE-2,000
					BRICKWORK RATING - 300
Long Term Bank Loan	NA	NA	IND AAA/STABLE	NA	India Rating 33,000
Short Term Bank Loan	NA	NA	IND A1+	NA	India Rating 2,000
Bank Lines Long Term / Short Term	NA	CARE AAA/ STABLE/ CARE A1+	NA	NA	CARE- 15,000
Commercial paper	CRISIL A1+	NA	IND A1+	NA	CRISIL - 6,000
					CRISIL - 1,000*
					INDIA RATING - 6,000
					INDIA RATING - 1,000*

* CP is assigned for application on proprietary account under the commercial paper programme.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

58 There are no securitisation transactions entered into by the Company during the current year and previous year. Also, the Company does not have any securitisation exposures during the current year and previous year.

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

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

61 Concentration of Advances*

Particulars	As at March 31, 2026	As at March 31, 2025
Total Advances to Twenty Largest Borrowers	3,92,763.43	3,80,640.32
Percentage of Advances to Twenty Largest Borrowers to Total Advances	8.57%	10.21%

* Advances include borrower contractual outstanding balances

62 Concentration of Exposure

Particulars	As at March 31, 2026	As at March 31, 2025
Total Exposure to Twenty Largest Borrowers / customers	4,05,708.06	4,03,833.50
Percentage of Exposures to Twenty Largest Borrowers / Customers to Total Exposure of Axis Finance on borrowers / customers	8.21%	10.01%

63 Concentration of Non Performing Assets* (NPAs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to top four Non Performing Assets	6,654.34	6,332.63

* Assets under Stage 3 are considered as NPAs

64 Sector-wise Non Performing Assets (NPAs)

Sectors	% of NPAs to Total Advances in that sector	% of NPAs to Total Advances in that sector
	For the year ended March 31, 2026	For the year ended March 31, 2025
Agriculture & allied activities	-	-
MSME	0.88%	0.56%
Corporate borrowers	0.29%	0.43%
Services	-	-
Unsecured personal loans	1.16%	1.56%
Auto loans	-	-
Other personal loans	1.70%	1.25%

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

65 Sectoral exposure

Sectors	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	6,361.77			6,972.14		
2. Industry						
i. Large	4,62,249.33	1,892.48	-	4,51,221.14	-	-
Others	2,12,597.13	-	-	1,05,749.38	2,144.46	-
Total of Industry	6,74,846.46	1,892.48	0.28%	5,56,970.52	2,144.46	0.39%
(i+...+Others)						
3. Services						
i. Other Services	3,34,600.81	339.21	-	3,15,499.59	-	-
ii. Professional Services	2,98,847.72	1,302.53	-	1,89,994.36	2,905.18	-
iii. Commercial Real Estate	13,64,079.69	5,472.50	-	9,61,150.81	3,472.42	-
iv. NBFC's	56,828.96	-	-	66,309.14	-	-
Others	-	-	-	-	-	-
Total of Services	20,54,357.18	7,114.24	0.35%	15,32,953.90	6,377.60	0.42%
(i+ii+...+Others)						
4. Personal Loans						
Others	-	-	-	-	-	-
Total of Personal Loans	-	-	-	-	-	-
(i+ii+...+Others)						
5. Others, if any (please specify)						
i. Housing Loans (incl. priority sector Housing)	2,73,928.63	4,246.44	-	2,19,463.02	3,837.74	-
ii. Other Retail loans	18,34,339.02	30,236.30	-	16,22,810.29	20,805.62	-
iii. Other Non-food Credit	35,771.57	-	-	94,375.64	40.39	-
Others	-	-	-	350.40	-	-
Total of Others, if any (please specify)	21,44,039.22	34,482.74	1.61%	19,36,999.35	24,683.75	1.27%
	48,79,604.63	43,489.46	0.89%	40,33,895.91	33,205.81	0.82%



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

66 Intra-group exposures

Particular	As at March 31, 2026	As at March 31, 2025
Total amount of intra-group exposures	0.00%	0.00%
Total amount of top 20 intra-group exposures	0.00%	0.00%
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.00%	0.00%

67 Movement of Non Performing Assets (NPAs)

	As at March 31, 2026	As at March 31, 2025
(i) Net NPAs to Net Advances (%)	0.48%	0.44%
(Net Advances include investment of amount ₹ in Lakh (March 31, 2026 : 61,634.10 & March 31, 2025 : 73,384.71) (Only Stage 3 ECL is considered while computing Net Advances)		
(ii) Movement of NPAs (Gross)		
Opening balance	33,205.78	14,473.50
Additions during the year	56,449.03	40,918.82
Reductions during the year	(46,165.37)	(22,186.54)
Closing balance	43,489.44	33,205.78
(iii) Movement of NPAs (Net)		
Opening balance	16,713.18	7,540.60
Additions during the year	18,969.78	12,413.28
Reductions during the year	(13,551.80)	(3,240.70)
Closing balance	22,131.16	16,713.18
(iv) Movement of Provision on NPAs (excluding provision on Standard Assets)		
Opening balance	16,492.60	6,932.90
Additions during the year	37,479.25	28,505.54
Reductions during the year	(32,613.57)	(18,945.84)
Closing balance	21,358.28	16,492.60

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

68 Disclosures pursuant to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time, Provisions required under Income Recognition, Asset Classification and Provisioning and impairment allowances made under Ind AS 109

Asset Classification as per RBI Norms	As at 31st March 2026					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	45,03,397.80	46,813.42	44,56,584.38	23,422.10	23,391.32
Standard	Stage 2	36,388.20	2,619.15	33,769.05	124.55	2,494.60
Subtotal		45,39,786.00	49,432.57	44,90,353.43	23,546.65	25,885.92
Non-Performing Assets (NPA)						
Substandard	Stage 3	25,690.55	13,287.47	12,403.08	2,547.89	10,739.58
Doubtful - 1	Stage 3	14,276.20	5,500.96	8,775.24	3,650.04	1,850.92
Doubtful - 2	Stage 3	950.09	471.29	478.80	310.03	161.26
Doubtful - 3	Stage 3	1,861.07	1,395.02	466.05	930.53	464.49
Subtotal for doubtful		17,087.36	7,367.27	9,720.09	4,890.60	2,476.67
Loss	Stage 3	711.53	703.54	7.99	703.54	-
Subtotal for NPA		43,489.44	21,358.28	22,131.16	8,142.03	13,216.25
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
	Stage 1	45,03,397.80	46,813.42	44,56,584.38	23,422.10	23,391.32
	Stage 2	36,388.20	2,619.15	33,769.05	124.55	2,494.60
	Stage 3	43,489.44	21,358.28	22,131.16	8,142.03	13,216.25
Total		45,83,275.44	70,790.85	45,12,484.59	31,688.68	39,102.17



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Asset Classification as per RBI Norms	As at 31st March 2025					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	36,52,644.57	33,308.75	36,19,335.82	14,528.37	18,780.38
Standard	Stage 2	43,344.67	4,117.30	39,227.37	168.81	3,948.49
Subtotal		36,95,989.24	37,426.05	36,58,563.19	14,697.18	22,728.87
Non-Performing Assets (NPA)						
Substandard	Stage 3	25,540.25	13,143.32	12,396.93	2,535.04	10,608.28
Doubtful - 1	Stage 3	3,622.30	915.93	2,706.37	757.17	158.76
Doubtful - 2	Stage 3	2,579.38	971.96	1,607.42	769.25	202.72
Doubtful - 3	Stage 3	1,212.38	1,212.38	-0.00	606.21	606.17
Subtotal for doubtful		7,414.06	3,100.27	4,313.79	2,132.63	967.65
Loss	Stage 3	251.47	249.00	2.47	249.00	-
Subtotal for NPA		33,205.78	16,492.60	16,713.18	4,916.67	11,575.93
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
	Stage 1	36,52,644.57	33,308.75	36,19,335.82	14,528.37	18,780.38
	Stage 2	43,344.67	4,117.30	39,227.37	168.81	3,948.49
	Stage 3	33,205.78	16,492.60	16,713.18	4,916.67	11,575.93
Total		37,29,195.02	53,918.65	36,75,276.37	19,613.85	34,304.80

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

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

69 Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Market Risk :

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arise majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

Derivatives

Qualitative Disclosures

- i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.
- ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/ Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

- iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Particulars	As at 31st March 2026			
	Notional USD Million	Notional INR (In Lakh)	Fair Value Asset	Fair Value Liability
Part 1 Currency Derivatives: Cross Currency Swaps	250	2,13,015.00	24,764.51	-
Total Derivative Financial Instrument	250	2,13,015.00	24,764.51	-
Part 2 Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
Fair Value Hedge	Nil	Nil	Nil	Nil
Cash flow Hedge	250	2,13,015.00	24,764.51	-
Unhedged Derivatives	Nil	Nil	Nil	Nil
Total	250	2,13,015.00	24,764.51	-

Particulars	As at 31st March 2025			
	Notional USD Million	Notional INR (In Lakh)	Fair Value Asset	Fair Value Liability
Part1 Currency Derivatives: Cross Currency Swaps	200	1,70,445.00	945.61	2,360.37
Total Derivative Financial Instrument	200	1,70,445.00	945.61	2,360.37
Part 2 Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
Fair Value Hedge	Nil	Nil	Nil	Nil
Cash flow Hedge	200	1,70,445.00	945.61	2,360.37
Unhedged Derivatives	Nil	Nil	Nil	Nil
Total	200	1,70,445.00	945.61	2,360.37

Sr. No	Particulars	Mar-26	Mar-25
		Currency Derivatives*	
1)	Derivatives (Notional Principal Amount)		
	For Hedging	2,13,015.00	1,70,445.00
2)	Marked to Market Positions		
	(a) Asset [+] Estimated gain	24,764.51	945.61
	(b) Liability [-] Estimated loss	-	2,360.37
3)	Credit Exposure	-	-
4)	Unhedged exposures	-	-

*Cross currency interest rate swap

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Disclosure of effects of hedge accounting:

Particulars	FY 2025-26				Line Item in Balance Sheet
	Nominal Value	Carrying Amount of Hedging Instrument	Change in Fair Value of Hedging Instrument	Change in Value of Hedged Item Used for Recognising Hedge Effectiveness	
Foreign exchange forward contracts (Cross currency interest rate swaps)	2,13,015.00	24,764.51	26,179.27	(23,567.50)	Borrowings

Type of hedge	FY 2025-26			
	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in P&L	Amount reclassified from cash flow hedge reserve to P&L	Line item affected in P&L because of reclassification
Foreign exchange risk and interest rate risk	26,179.27	-	-	NA

Particulars	FY 2024-25				Line Item in Balance Sheet
	Nominal Value	Carrying Amount of Hedging Instrument	Change in Fair Value of Hedging Instrument	Change in Value of Hedged Item Used for Recognising Hedge Effectiveness	
Foreign exchange forward contracts (Cross currency interest rate swaps)	1,70,445.00	(1,414.76)	(1,414.76)	(505.00)	Borrowings

Type Of hedge	FY 2024-25			
	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in P&L	Amount reclassified from cash flow hedge reserve to P&L	Line item affected in P&L because of reclassification
Foreign exchange risk and interest rate risk	(1,414.76)	-	-	NA

70 Liquidity Coverage Ratio (FY 2025-26)

Reserve Bank of India (RBI) had introduced Liquidity Coverage Ratio (LCR) (effective from December 01, 2020) as part of Liquidity Risk Management Framework (LRMF) to ensure that a NBFC has adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows over the next 30 calendar days. As on March 31, 2026, the applicable minimum LCR required to be maintained by the Company is 100.00%.

The Company's liquidity strategy is managed by the Asset Liability Management Committee (ALCO) which is an Executive Level Committee. Meetings of the ALCO are held on a monthly basis and minutes of the same are placed before the Risk Management Committee of the Board for noting. The Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, along with Chief Risk Officer being the permanent invitee, oversees the liquidity risk management. The minutes of RMC are placed before the Board of Directors for noting and discussion.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

During the three months ended March 31, 2026, Axis Finance Limited maintained daily average HQLA (after applicable haircut) of ₹ 1,17,757.53 Lakh. The daily average LCR of Axis Finance Limited for the three months ended March 31, 2026 was 244.01.% (The daily average LCR of Axis Finance for the three months ended December 31, 2025 was 279.39%). HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible corporate bonds and commercial papers with mandated haircuts applied thereto.

The weighted cash outflows are primarily driven by secured funding which includes debt obligations on NCDs and bank borrowings. The total weighted cash inflows are primarily driven by performing exposures and lines of credit from Axis Bank Limited ("Parent Company").

	Three months ended March 31, 2026		Three months ended December 31, 2025		Three months ended September 30, 2025		Three months ended June 30, 2025	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA) (Refer Note 1)	1,18,048.84	1,17,757.53	1,23,656.94	1,23,361.69	1,25,067.32	1,24,575.41	1,46,310.36	1,45,821.66
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	35,397.27	40,706.86	44,257.61	50,896.25	44,627.84	51,322.02	35,445.46	40,762.28
4 Secured wholesale funding	94,707.31	1,08,913.41	76,188.12	87,616.34	62,545.26	71,927.05	59,944.34	68,935.99
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	37,756.21	43,419.64	33,133.24	38,103.23	30,672.58	35,273.47	23,890.76	27,474.38
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash Outflows	1,67,860.79	1,93,039.91	1,53,578.97	1,76,615.82	1,37,845.68	1,58,522.54	1,19,280.56	1,37,172.65

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

	Three months ended March 31, 2026		Three months ended December 31, 2025		Three months ended September 30, 2025		Three months ended June 30, 2025	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	40,471.87	30,353.91	40,303.99	30,228.00	44,888.99	33,666.74	38,146.47	28,609.85
11 Other cash inflows (Note 2)	2,54,715.92	1,91,036.94	2,41,923.70	1,81,442.77	2,33,318.25	1,74,988.68	2,52,768.53	1,89,576.40
12 Total Cash Inflows	2,95,187.79	2,21,390.85	2,82,227.69	2,11,670.77	2,78,207.24	2,08,655.43	2,90,915.00	2,18,186.25
13 Total Hqla	1,18,048.85	1,17,757.53	1,23,656.94	1,23,361.69	1,25,067.32	1,24,575.41	1,46,310.36	1,45,821.67
14 Total Net Cash Outflows	41,965.20	48,259.98	38,394.75	44,153.96	34,461.42	39,630.64	29,820.14	34,293.17
15 Liquidity Coverage Ratio (%)	281.30%	244.01%	322.07%	279.39%	362.92%	314.34%	490.64%	425.22%

*Unweighted values calculated as average monthly outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%)

Note:

1. HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible level 2 bonds.
2. Includes liquid fund balances.
3. The LCR requirement as per RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, is applicable to the Company from December 1, 2020.

70. Liquidity Coverage Ratio (FY 2024-25)

Reserve Bank of India (RBI) had introduced Liquidity Coverage Ratio (LCR) (effective from December 01, 2020) as part of Liquidity Risk Management Framework (LRMF) to ensure that a NBFC has adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows over the next 30 calendar days. As on March 31, 2025, the applicable minimum LCR required to be maintained by the Company is 100.00%.

The Company's liquidity strategy is managed by the Asset Liability Management Committee (ALCO) which is an Executive Level Committee. Meetings of the ALCO are held on a monthly basis and minutes of the same are placed before the Risk Management Committee of the Board for noting. The Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, along with Chief Risk Officer being the permanent invitee, oversees the liquidity risk management. The minutes of RMC are placed before the Board of Directors for noting and discussion.

During the three months ended March 31, 2025, Axis Finance Limited maintained daily average HQLA (after applicable haircut) of ₹ 1,19,171.51 Lakh. The daily average LCR of Axis Finance Limited for the three months ended March 31, 2025 was 319.78.% (The daily average LCR of Axis Finance for the three months ended December 31, 2024 was 260.23%). HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible corporate bonds and commercial papers with mandated haircuts applied thereto.

The weighted cash outflows are primarily driven by secured funding which includes debt obligations on NCDs and bank borrowings. The total weighted cash inflows are primarily driven by performing exposures and lines of credit from Axis Bank Limited ("Parent Company").



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

	Three months ended March 31, 2025		Three months ended December 31, 2024		Three months ended September 30, 2024		Three months ended June 30, 2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA) (Refer Note 1)	1,19,641.88	1,19,171.51	1,05,460.29	1,04,620.05	96,348.90	96,105.34	92,755.19	92,470.95
Cash Outflows								
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	33,411.76	38,423.52	40,889.83	47,023.30	46,439.69	53,405.65	45,790.71	52,659.32
4 Secured wholesale funding	68,281.15	78,523.32	60,187.84	69,216.01	71,492.56	82,216.44	62,594.89	71,984.13
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	27,928.98	32,118.33	38,758.30	44,572.04	37,247.35	42,834.45	36,929.99	42,469.49
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash Outflows	1,29,621.89	1,49,065.17	1,39,835.96	1,60,811.35	1,55,179.60	1,78,456.54	1,45,315.59	1,67,112.93
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	37,012.39	27,759.29	45,034.97	33,776.23	51,168.82	38,376.62	45,973.23	34,479.92
11 Other cash inflows (Note 2)	2,33,413.03	1,75,059.77	2,35,115.81	1,76,336.86	2,15,262.14	1,61,446.60	2,12,155.33	1,59,116.50
12 Total Cash Inflows	2,70,425.42	2,02,819.07	2,80,150.78	2,10,113.09	2,66,430.96	1,99,823.22	2,58,128.56	1,93,596.42
13 Total Hqla	1,19,641.88	1,19,171.51	1,05,460.29	1,04,620.05	96,348.90	96,105.34	92,755.19	92,470.95
14 Total Net Cash Outflows	32,405.47	37,266.29	34,958.99	40,202.84	38,794.90	44,614.14	36,328.90	41,778.23
15 Liquidity Coverage Ratio (%)	369.20%	319.78%	301.67%	260.23%	248.35%	215.41%	255.32%	221.34%

*Unweighted values calculated as average monthly outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective stress factors on inflow (75%) and outflow (115%)

Note:

- HQLA primarily includes Government securities viz. Central and State Government securities and small portion in eligible level 2 bonds.
- Includes liquid fund balances.
- The LCR requirement as per RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, is applicable to the Company from December 1, 2020.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

71 Off Balance sheet SPVs:

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

72 Unhedged foreign currency exposure:

The company has foreign currency exposure that is completely hedged as on 31 March 2026 (31 March 2025 : Completely Hedged)

73 Note on operating segment:

There is no separate reportable segment as per IND AS 108 on "Operating segment" in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Further, no revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in the year ended March 31, 2026 or March 31, 2025

74 Pending Litigation:

The Company's pending litigations comprise of claims against the Company by the customers and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

75 Customer Complaints

Particulars	As at March 31, 2026	As at March 31, 2025
Complaints received by the NBFC from its customers	-	-
1) Number of complaints pending at beginning of the year	106	120
2) Number of complaints received during the year	4910	4424
3) Number of complaints disposed during the year	4781	4438
3.1) Of which, number of complaints rejected by the NBFC	761	521
4) Number of complaints pending at the end of the year	235	106
Maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5) Number of maintainable complaints received by the NBFC from Office of Ombudsman	326	117
5.1) Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	313	111
5.2) Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	13	6
5.3) Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6) Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Top five grounds of complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2025-26					
Ground - 1 (Collection Related)	29	1108	47%	55	
Ground - 2 (Foreclosure Related)	17	879	-27%	34	
Ground - 3 (Documents Related)	3	601	215%	29	
Ground - 4 (EMI Related)	9	583	148%	25	
Ground - 5 (Refund/Waiver/Discount)	4	323	23%	23	
Others	44	1416	-19%	69	
Total	106	4910		235	-
2024-25					
Ground - 1(Foreclosure Related)	29	1203	-12%	17	
Ground - 2(Collection Related)	25	756	199%	29	
Ground - 3 (Refund/Waiver/Discount Related)	7	262	40%	4	
Ground - 4(EMI Related)	1	235	122%	9	
Ground - 5 (ROI/Tenure Related)	2	217	-2%	11	
Others	56	1751	-37%	36	
Total	120	4424		106	-

76 Disclosure pertaining to stock statement filed with banks or financial institutions:

The Company has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Company shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For the financial year March 31, 2026 and previous year ended March 31, 2025, the quarterly statements or returns of current assets filed by the Company with banks are in agreement with books of accounts

77 Ultimate Beneficiary

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries. No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

78 Related Party Disclosure in compliance with RBI circular dated 19 April 2022 - "Disclosures in financial statements"

Related Party Items	Parent (as per ownership or control)			Subsidiaries			Associates/Joint ventures		
	2025-26	2024-25	Max O/S during year	2025-26	2024-25	Max O/S during year	2025-26	2024-25	Max O/S during year
Borrowings*	1,15,326.20	70,903.51	1,32,064.21	-	-	-	-	-	-
Equity Share Capital	2,46,262.50	2,46,262.50	2,46,262.50	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Bank Balance	41,290.61	23,912.73	50,785.32	-	-	-	-	-	-
Book overdraft	13,148.31	-	14,570.44	-	-	-	-	-	-
Other liability	210.00	179.96	210.00	-	-	-	-	-	-
Other assets	14.49	0.22	14.49	-	-	-	-	-	-
Purchase of fixed / other assets	-	-	-	-	-	-	-	-	-
Sale of fixed / other assets	-	-	-	-	-	-	-	-	-
Interest paid	4,191.82	3,358.92	-	-	-	-	-	-	-
Interest received	-	67.74	-	-	-	-	-	-	-
Share based payments to employees	250.17	664.78	-	-	-	-	-	-	-
Securities Premium	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-
Other expense	1,812.84	1,842.57	-	-	-	-	-	-	-
Others income	11.10	73.92	-	-	-	-	-	-	-

*During the year Term Loan repaid amounting to ₹7,544.31 Lakh

*During the year WCDL drawn & repaid amounting to ₹53,922.20 Lakh

*During the year ECB availed from amounting to ₹42,570 Lakh

*During the year NCD issued amounting to ₹1,06,263 Lakh



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

78 Related Party Disclosure in compliance with RBI circular dated 19 April 2022 - "Disclosures in financial statements"

Related Party	Key Management Personnel			Relatives of Key Management Personnel			Others			Total		
	2025-26	2024-25	Max O/S during year	2025-26	2024-25	Max O/S during year	2025-26	2024-25	Max O/S during year	2025-26	2024-25	Max O/S during year
Items												
Borrowings*	-	-	-	-	-	-	-	-	-	1,15,326.20	70,903.51	1,32,064.21
Equity Share Capital	-	-	-	-	-	-	-	-	-	2,46,262.50	2,46,262.50	2,46,262.50
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
Advances	157.26	218.24	111.91	-	-	-	-	-	-	157.26	218.24	111.91
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Bank Balance										41,290.61	-	50,785.32
Book overdraft										13,148.31		14,570.44
Other liability	60.00	60.00	57.64	-	-	-	7.02	-	8.59	277.02	239.96	276.23
Other assets	-	-	-	-	-	-	63.07	-	258.05	77.56	0.22	272.54
Purchase of fixed / other assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed / other assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	4,191.82	3,358.92	-
Interest received	-	-	-	-	-	-	-	-	-	-	67.74	-
Share based payments to employees	-	-	-	-	-	-	-	-	-	250.17	664.78	-
Securities Premium	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	781.59	1,900.20	-	-	-	-	-	-	-	781.59	1,900.20	-
Other expense	285.50	248.64	-	-	-	-	38.88	45.14	-	2,137.22	2,136.35	-
Others income	7.91	-	-	-	-	-	2,336.72	1,609.10	-	2,355.73	1,683.02	-

*During the year Term Loan repaid amounting to ₹7,544.31 Lakh

*During the year WCDL drawn & repaid amounting to ₹53,922.20 Lakh

*During the year ECB availed from amounting to ₹42,570 Lakh

*During the year NCD issued amounting to ₹1,06,263 Lakh

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

79 There have been no instances of breach of covenant, divergence in Assets classification and provisioning. (31 March 2025 : NIL)

80 Details of Revenue from Insurance Commission

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Life Insurance	3,210.22	1,466.86
General Insurance	477.64	281.89
Health Insurance	-	-
Total	3,687.86	1,748.75

81 Details of expenses incurred in Foreign currency

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Professional Fees	30.19	-
Processing Fees	29.58	33.96
Subscription Fees	67.04	-
Total	126.81	33.96

82 The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as

- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- For the year ended March 31, 2026, there are no instances of transactions not recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (section 43 of 1961) (March 31, 2025: Nil).
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has not entered into any scheme of arrangement.
- No Registration or satisfaction of charges are pending to be filed with ROC.



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

83 RBI Disclosures

Particulars	Amount outstanding as at March 31, 2026	Amount overdue as at March 31, 2026	Amount outstanding as at March 31, 2025	Amount overdue as at March 31, 2025
Liabilities side :				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	11,98,265.88	-	10,71,223.69	-
(a) Debentures : Unsecured (other than falling within the meaning of public deposits)	3,70,351.77	-	3,23,540.80	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	24,68,050.00	-	17,97,170.64	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	1,37,890.37	-	1,95,599.16	-
(f) Public Deposits	-	-	-	-
(g) Other Loans (Bank's Line of Credit)	-	-	-	-
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

Particulars	Amount outstanding as at March 31, 2026	Amount outstanding as at March 31, 2025
Assets side :		
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	39,22,929.88	31,63,246.89
(b) Unsecured	6,60,345.56	5,65,948.13
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(a) Lease assets including lease rentals under sundry debtors :		
(i) Financial lease	-	-
(ii) Operating lease	-	-
(b) Stock on hire including hire charges under sundry debtors:		
(i) Assets on hire	-	-
(ii) Repossessed Assets	-	-
(c) Other loans counting towards AFC activities		
(i) Loans where assets have been repossessed	-	-
(ii) Loans other than (i) above	-	-

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(5) Break-up of Investments :	As at March 31, 2026	As at March 31, 2025
Current Investments :		
(a) Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	13,740.48
(v) Others (InVIT)	-	-
(b) Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term Investments :		
(a) Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	15,266.55	26,491.07
(iii) Units of mutual funds	-	-
(iv) Government Securities	72,324.58	61,495.48
(v) Others	10,930.30	5,117.62
(b) Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	46,367.56	46,893.63
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
	1,44,888.99	1,53,738.28



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :

Category	Amount net of provisions as at March 31, 2026			Amount net of provisions as at March 31, 2025		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(a) Related Parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related parties	163.74	-	163.74	108.40	-	108.40
(b) Other than related parties	38,74,206.97	6,38,113.88	45,12,320.85	31,30,146.10	5,45,021.87	36,75,167.97
Total	38,74,370.71	6,38,113.88	45,12,484.59	31,30,254.50	5,45,021.87	36,75,276.37

(7) 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 as at March 31, 2026	Book Value (Net of Provisions) as at March 31, 2026	Market Value / Break up or fair value or NAV as at March 31, 2026	Book Value (Net of Provisions) as at March 31, 2025
(a) Related Parties				
(i) Subsidiaries	-	-	-	-
(ii) Companies in the same group	-	-	-	-
(iii) Other related parties	-	-	-	-
(b) Other than related parties	1,44,387.27	1,44,458.00	1,58,677.86	1,53,413.06
Total	1,44,387.27	1,44,458.00	1,58,677.86	1,53,413.06

(8) Other information

Particulars	2025-26	2024-25
(a) Gross Non-Performing Assets		
(i) Related parties	-	-
(ii) Other than related parties	43,489.44	33,205.78
(b) Net Non-Performing Assets		
(i) Related parties	-	-
(ii) Other than related parties	22,131.16	16,713.18
(c) Assets acquired in satisfaction of debt	-	-

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

84 Disclosure on restructured accounts

S.N.	Type of Restructuring Asset Classification		As at March 31, 2026										
			Under CDR Mechanism					Under SME Debt Restructuring Mechanism					
			Standard	Substandard	Doubtful	Loss	Total	Standard	Substandard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1, 2025	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
2	Fresh Restructuring during the Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of Year and hence need not be shown as restructured standard advances at the beginning of the next Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2026	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

S.N.	Type of Restructuring Asset Classification		As at March 31, 2026										
			Others					Total					
			Standard	Substandard	Doubtful	Loss	Total	Standard	Substandard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1, 2025	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
2	Fresh Restructuring during the Year	No. of borrowers	-	1.00	2.00	-	3.00	-	1.00	2.00	-	3.00	-
		Amount Outstanding	-	456.54	1,347.03	-	1,803.57	-	456.54	1,347.03	-	1,803.57	-
		Provision thereon	-	97.43	538.47	-	635.90	-	97.43	538.47	-	635.90	-
3	Upgradations to restructured standard category during the Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of Year and hence need not be shown as restructured standard advances at the beginning of the next Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the Year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2026	No. of borrowers	-	1.00	2.00	-	3.00	-	1.00	2.00	-	3.00	-
		Amount Outstanding	-	456.54	1,347.03	-	1,803.57	-	456.54	1,347.03	-	1,803.57	-
		Provision thereon	-	97.43	538.47	-	635.90	-	97.43	538.47	-	635.90	-

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

84 Disclosure on restructured accounts

S.N.	Type of Restructuring Asset Classification		As at March 31, 2025										
			Under CDR Mechanism					Under SME Debt Restructuring Mechanism					
			Standard	Substandard	Doubtful	Loss	Total	Standard	Substandard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1, 2024	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
2	Fresh Restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year and hence need not be shown as restructured standard advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2025	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

S.N.	Type of Restructuring Asset Classification		As at March 31, 2025									
			Others				Total					
			Standard	Substandard	Doubtful	Loss	Total	Standard	Substandard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2024	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
2	Fresh Restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year and hence need not be shown as restructured standard advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2025	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

85 Disclosure Related to Project Finance for the quarter ended December 31, 2025

Sl. No	Item Description	Number of accounts(LAN)	Total outstanding (in ₹ Lakh)
1	Projects under implementation accounts at the beginning of the quarter	33	1,43,268.06
1A	Movement in the outstanding balances for the project under implementation	NA	3,036.86
2	Projects under implementation accounts sanctioned during the quarter	2	5,584.05
2A	Project Closed during the quarter	1	10,026.54
3	Projects under implementation accounts where DCCO has been achieved during the quarter	8	36,783.48
4	Projects under implementation accounts at the end of the quarter. (1+1A+2-2A-3)	26	1,05,078.95
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked	7	19,839.70
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented	-	0.00
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation	7	19,839.70
5.3	Out of '5' – accounts in respect of which Resolution plan has failed	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed	-	-



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

85 Disclosure Related to Project Finance for the quarter ended March 31, 2026

Sl. No	Item Description	Number of accounts(LAN)	Total outstanding (in ₹ Lakh)
	Projects under implementation accounts at the beginning of the quarter	26	1,05,078.95
1A	Movement in the outstanding balances for the project under implementation	NA	2,462.40
2	Projects under implementation accounts sanctioned during the quarter	3	1,004.84
2A	Project Closed during the quarter	2	14,707.99
3	Projects under implementation accounts where DCCO has been achieved during the quarter	-	-
4	Projects under implementation accounts at the end of the quarter. (1+1A+2-2A-3)	27	93,838.19
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked	8	35,153.53
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented	4	9,162.44
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation	4	25,991.09
5.3	Out of '5' – accounts in respect of which Resolution plan has failed	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed	-	-

NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

86 Employee stock option plan

The Board of Directors at its meeting held on 11 September 2025, approved an issue of stock options (ESOP 2025) upto a maximum of 1.94% of the then issued equity capital of the Company aggregating to 3,60,65,668 equity shares of the face value of Rs. 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999.

The options issued under the ESOP 2025 vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death or permanent incapacity of an Option Grantee where the minimum vesting period of 1 year from the date of grant shall not apply and settled by issue of shares at exercise price.

The Nomination and Remuneration Committee of the Company has approved the following grants to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behavior in accordance with the ESOP 2025. Details of grants given up to the reporting date under the scheme are given as under:

Date of Shareholders Approval	Exercise Price	Options Granted	Options vested and exercisable	Options exercised	Options cancelled/lapsed	Options unvested	Options Outstanding
22 August 2025	120.8	13,180,863	-	-	216,336	12,964,527	12,964,527

Weighted average fair value of stock options granted during the year is as follows:

Grant Date	11-Sep-25	23-Dec-25
No. of options granted	13,151,277	29,586
Weighted average fair value (₹)	50.7	50.7

Total for all Grants	No. of options	Range of exercise price	Weighted average exercise price	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	13,180,863	N.A	120.8	3.5 years
Cancelled during the year	216,336	N.A	120.8	3.5 years
Exercised during the year	-	N.A	-	-
Outstanding at the end of the year	12,964,527	N.A	120.8	3.5 years
Exercisable at the end of the year	-	-	-	-



NOTES

forming part of financial statement for the year ended March 31, 2026
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Method used for accounting for share-based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model.

The key assumptions used in Black – Scholes Model for calculating fair value as on the date of grant are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)	Vesting period
11-Sep-25	6.01% - 6.38%	3.5 – 6.5 years	31.39% - 39.57%	0.00%	120.8	4 years
23-Dec-25	6.01% - 6.38%	3.5 – 6.5 years	31.39% - 39.57%	0.00%	120.8	4 years

Risk free interest rates over the expected term of the option are based on the government securities yield in effect at the time of the grant. The expected term of an option is estimated based on the average of minimum & maximum life of the options. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on observed market prices of the Company's listed peers.

For the year ended 31 March 2026, the Company has accounted expense of ₹ 1,883.35 Lakh as employee benefit expenses (note no.27) on the aforesaid employee stock option plan (Previous year Rs. Nil). The balance in employee stock option outstanding account is Rs. 1,883.35 Lakh as of 31 March 2026 (Previous year ₹ Nil).

87 As per Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) (Amendment) Directions, 2025 dated December 5, 2025, NBFCs which are group entities of a Scheduled Commercial Bank should adhere to the Regulations as applicable to Upper Layer NBFCs. Further, as per Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025, an NBFC-Upper Layer shall maintain provisions in respect of 'standard' assets @ 0.75% and 1.00% for CRE-RH and Other CRE exposures respectively.

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

As per our attached report of even date

For G. M. Kapadia & Co.

Chartered Accountants
ICAI Firm Registration No. 104767W

Rajen Ashar

Partner
Membership No.: 048243
Place of Signature: Mumbai
Date: April 17, 2026

For Khandelwal Jain & CO

Chartered Accountants
ICAI Firm Registration No.105049W

Bhupendra Karkhanis

Partner
Membership No.: 108336
Place of Signature: Mumbai
Date: April 17, 2026

For and on behalf of the board of Axis Finance Limited

Amitabh Chaudhry

Chairman
DIN No: 00531120

Amith Iyer

Chief Financial Officer
CMA Membership No: 51849

Sai Giridhar

Managing Director
DIN No: 10757486

Rajneesh Kumar

Company Secretary
Membership No: A31230
Place of Signature: Mumbai
Date: April 17, 2026



Axis Finance Limited

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