

AFL/2023-24/71

18th July 2023

To,

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Sub: Security Cover Certificate for the quarter ended 30th June 2023

**Ref: Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
read with SEBI Circular dated 19th May 2022 (as amended from time to time)**

Dear Sir / Ma'am,

With reference to regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular issued by SEBI bearing reference no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/6 dated 19th May 2022 (as amended from time to time), we hereby enclose the security cover certificate for the quarter ended 30th June 2023.

Kindly take the above on record and oblige.

Sincerely,

For **Axis Finance Limited**

RAJNEESH KUMAR
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RAJNEESH KUMAR
Date: 2023.07.18
19:56:16 +05'30'

Rajneesh Kumar

Company Secretary

Membership No. A31230

Email id - rajneesh.kumar@axisfinance.in

Encl: a/a

B. K. Khare & Co.

Chartered Accountants

706/708, Sharda Chambers, New Marine
Lines, Mumbai – 400 020, India

To
The Board of Directors,
Axis Finance Limited,
Axis House, Ground Floor,
Wadia International Centre,
Worli, Mumbai – 400-025.

Independent Auditor's Certificate

1. We **B. K. Khare & Co.**, Chartered Accountants (Firm Registration Number 105102W), the Statutory Auditors of **Axis Finance Limited** (the "Company"), have been requested by the Management of the Company to certify the accompanying **Statement of assets cover and compliance with covenants for Secured Redeemable Non-Convertible Debentures outstanding as on June 30, 2023** (the "Statement") for submission to the Company's Debenture Trustee i.e. **Catalyst Trusteeship Limited** pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date (together referred to as the "Regulations"). The Statement has been stamped by us for identification purpose only.

Management's Responsibility

2. The preparation of the accompanying Statement from the audited financial statements of the Company for the quarter ended on June 30, 2023 and other relevant records and documents is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
3. The Management is also responsible for maintenance of asset cover and compliance with all the covenants of the respective Offer Document / Information Memorandum / Debenture Trust deeds in the manner as may be specified by SEBI and adherence with all other applicable conditions mentioned in the Regulations in connection with the Statement.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance as to whether the particulars contained in the aforesaid Statement are in agreement with the audited financial statements for the quarter ended June 30, 2023 and other relevant records and documents maintained by the Company. This did not include the evaluation of adherence by the Company with all the applicable guidelines of the Regulations, Offer documents/ Information memorandum and Debenture Trust deeds.
5. The financial statements for the quarter ended June 30, 2023 have been jointly audited by us, on which we issued an unmodified audit opinion vide our report dated July 18, 2023. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the Institute of Chartered Accountant of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013 in so far as applicable for the purpose of this Certificate, which includes the concepts of test checks and

B. K. Khare & Co.

Chartered Accountants

materiality. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

8. Based on our examination, and according to the information, explanation and representations provided to us by the Management of the Company, we certify that nothing has come to our attention that causes us to believe that company has not complied, in all material respects, with the requirements of SEBI regulations for the maintenance of the hundred percent asset cover, including the compliance with all covenants, in respect of debt securities for the quarter ended June 30, 2023.

Restriction on Use

9. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to Debenture Trustees in accordance with the Regulations and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No.: 105102W

Aniruddha
Mohan Joshi

Digitally signed by
Aniruddha Mohan Joshi
Date: 2023.07.18
18:17:23 +05'30'

Aniruddha Joshi
Partner
Membership No: 040852
UDIN: 23040852BGURDW3889
Place: Mumbai
Date: July 18, 2023

Affaire

a) Asset Cover for listed debt securities:

The financial information as on 30/07/21 has been extracted from the Audited Books of Accounts for the quarter ended June 30, 2021 and other relevant records of the Axis Finance Limited (the Company or AFL).

ii. The **Notes** of the Company provide coverage of 3.14 times of the interest and principal amount, which is in accordance with the terms of issue / debenture trust deed / information memorandum.

[illegible]

b. List of Listed Secured NCDs Outstanding (Principal Amount) as on June 30, 2023 & corresponding security cover to be maintained :

ISIN	Facility	Type of Charge	Sanctioned (Amount Rs.in lakhs) as on June 30,2023	Outstanding (Amount Rs.in lakhs) as on June 30,2023	Cover Required	margin	Assets Required (Amount in Lakhs)
INE891K07481	NCD	Note 1	500.00	500.00	1.00		500.00
INE891K07564	NCD	Note 1	20,000.00	20,000.00	1.00		20,000.00
INE891K07572	NCD	Note 1	30,000.00	30,000.00	1.00		30,000.00
INE891K07598	NCD	Note 1	6,000.00	6,000.00	1.00		6,000.00
INE891K07655	NCD	Note 1	50,000.00	50,000.00	1.00		50,000.00
INE891K07663	NCD	Note 1	15,000.00	15,000.00	1.00		15,000.00
INE891K07671	NCD	Note 1	12,400.00	12,400.00	1.00		12,400.00
INE891K07689	NCD	Note 1	9,000.00	9,000.00	1.10	9,00,00,000.00	9,900.00
INE891K07697	NCD	Note 1	17,000.00	17,000.00	1.10	17,00,00,000.00	18,700.00
INE891K07705	NCD	Note 1	17,000.00	17,000.00	1.00		17,000.00
INE891K07713	NCD	Note 1	12,500.00	12,500.00	1.10	12,50,00,000.00	13,750.00
INE891K07721	NCD	Note 1	40,000.00	40,000.00	1.10	40,00,00,000.00	44,000.00
INE891K07739	NCD	Note 1	10,000.00	10,000.00	1.00		10,000.00
INE891K07747	NCD	Note 1	50,000.00	50,000.00	1.10	50,00,00,000.00	55,000.00
INE891K07754	NCD	Note 1	35,000.00	35,000.00	1.10	35,00,00,000.00	38,500.00
INE891K07762	NCD	Note 1	25,000.00	25,000.00	1.10	25,00,00,000.00	27,500.00
INE891K07770	NCD	Note 1	20,000.00	20,000.00	1.00		20,000.00
INE891K07788	NCD	Note 1	3,000.00	3,000.00	1.00		3,000.00
INE891K07796	NCD	Note 1	25,000.00	25,000.00	1.00		25,000.00
INE891K07804	NCD	Note 1	30,000.00	30,000.00	1.00		30,000.00
INE891K07812	NCD	Note 1	10,000.00	10,000.00	1.10	10,00,00,000.00	11,000.00
INE891K07762	NCD	Note 1	20,000.00	20,000.00	1.10	20,00,00,000.00	22,000.00
INE891K07820	NCD	Note 1	26,300.00	26,300.00	1.10	26,30,00,000.00	28,930.00
INE891K07838	NCD	Note 1	38,500.00	38,500.00	1.10	38,50,00,000.00	42,350.00
INE891K07846	NCD	Note 1	30,000.00	30,000.00	1.10	30,00,00,000.00	33,000.00
INE891K07853	NCD	Note 1	50,000.00	50,000.00	1.10	50,00,00,000.00	55,000.00
INE891K07861	NCD	Note 1	35,000.00	35,000.00	1.10	35,00,00,000.00	38,500.00
Total				6,37,200.00		3,98,30,00,000.00	6,77,030.00
Interest accrued/payable on secured Debt Securities (C)				19,632.41			21,595.65
Grand Total (A+B+C)				6,56,832.41			6,98,625.65

Notes :

1. Type of charge is first ranking pari passu charge over receivables.
2. NCD - Non Convertible Debentures.
3. Only debt securities covered above.

c. List of Listed Unsecured NCDs Outstanding (Principal Amount) as on June 30, 2023 :

ISIN	Facility	Outstanding (Amount Rs. In Lakhs) as on June 30,2023
INE891K08034	NCD	2,00,00,00,000.00
INE891K08042	NCD	2,00,00,00,000.00
INE891K08059	NCD	1,00,00,00,000.00
INE891K08067	NCD	70,00,00,000.00
INE891K08075	NCD	1,00,00,00,000.00
INE891K08083	NCD	1,50,00,00,000.00
INE891K08091	NCD	75,00,00,000.00
INE891K08117	NCD	50,00,00,000.00
INE891K08125	NCD	1,00,00,00,000.00
INE891K08133	NCD	1,00,00,00,000.00
INE891K08141	NCD	2,00,00,00,000.00
INE891K08158	NCD	1,25,00,00,000.00
Total		14,70,00,00,000.00

Compliance Status of all the covenants / terms of the issue in respect of listed debt security of the company

We have examined the compliances, on test check basis, made by the Company in respect of the covenants / terms of the listed debts securities and certify such covenants / terms of issue of the listed debts securities and certify such covenant / terms of the issue have been complied by the company as stated:-

Clause 20 – Company's Representations and Covenants – Part I		
Sr. No	Particulars	Status Link
1	As per Regulation 51 (1) of the LODR Regulations, the Company shall promptly inform the Stock Exchange(s) of all information having bearing on the performance/operation of the Company, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible securities.	Complied https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf
	As per Regulation 51 (2) of the LODR Regulations, the Company, shall without prejudice to the generality of sub-regulation (1), having listed non-convertible securities shall make disclosures as specified in Part B of Schedule III of the LODR Regulations	https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf
2	As per Regulation 51 (3) of the LODR Regulations, the Company shall disclose on its website, all such events or information which have been disclosed to the Stock Exchange(s) pursuant to LODR Regulation and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per the archival policy of the Company, as disclosed on its website	Complied https://www.axisfinance.in/investors-corner/disclosures
3	As per Regulation 52 (1) and (4) of the LODR Regulations, the Company is required to prepare and file unaudited or audited quarterly and year to date standalone financial results on a quarterly basis in the format as specified by the Board within 45 (forty-five) days from the end of the quarter, other than last quarter, to the recognised Stock Exchange	Complied https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf
4	The Company shall, while submitting quarterly/annual financial results, accordingly shall provide Debenture Trustee the following information, on the letter head of the Company, addressed to the Stock Exchange(s): (a) Debt Equity Ratio; (b) debt service coverage ratio; (c) interest service coverage ratio; (d) outstanding redeemable preference shares (quantity and value); (e) capital redemption reserve/debenture redemption reserve; (f) net worth; (g) net profit after tax; (h) earnings per share	Complied https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf
5	As per Regulation 53 of the LODR Regulations, the Company shall submit to the and Stock Exchange and publish on its website the following: (a) a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and (b) in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty eight) hours after the annual general meeting	Complied https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf
6	As per Regulation 57 (1) of the LODR Regulations, the Company shall submit a certificate to the Stock Exchange within 1 (one) working day of the interest or dividend or principal becoming due regarding status of payment in case of non-convertible securities	Complied https://www.bseindia.com/stock-share-price/debt-other/scriptcode/724081/debt-corp-announcements/
7	As per Regulation 57 (4) of the LODR Regulations, the Company shall within 5 (five) working days prior to the beginning of the quarter provide details for all the non-convertible securities for which interest/dividend/principal obligations shall be payable during the quarter	Complied https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf
8	As per Regulation 57(5) of the LODR Regulations, the Company shall within 7 (seven) working days from the end of the quarter provide: (a) a certificate confirming the payment of interest/dividend/principal obligations for non-convertible securities which were due in that quarter; and (b) the details of all unpaid interest/dividend/principal obligations in relation to non-convertible securities at the end of the quarter	Complied https://www.bseindia.com/xml-data/corpfiling/AttachHrs/75464d55-ca91-4c65-a9ab-003b9c8f09f1.pdf
9	Any further information which may be required to be submitted to the Stock Exchange pursuant to LODR Regulations, as amended from time to time	Complied Can refer the BSE website
10	The Company shall submit, a copy of the financial results submitted to Stock Exchange shall also be provided to Debenture Trustee on the same day the information is submitted to the Stock Exchange	Complied Mail attached
11	As per Regulation 53 of the LODR Regulations, the Company shall submit to the Debenture Trustee and publish on its website the following: (a) a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and (b) in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty eight) hours after the annual general meeting.	Complied Mail attached: https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/82/825bc788-d01c-415c-b114-c50ca4333744/Axis%20Finance%20Limited-Annual%20Report-

12	<p>In terms of the provisions of Regulation 56 of the LODR Regulations, Company shall promptly submit to the Debenture Trustee the following:</p> <p>a) a copy of the annual report at the same time as it is issued along with a copy of certificate from the listed entity's auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised: Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.</p> <p>b) a copy of all notices, resolutions and circulars relating to –</p> <p>i. new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities;</p> <p>ii. the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;</p> <p>c) a half yearly certificate regarding maintenance of 100% (hundred percent) or higher Security Cover as per the terms of the relevant Pricing Supplements/Placement Memorandum and/or this Deed, including compliance with all the covenants, in respect of listed non- convertible debt securities, by the Statutory Auditor, along with the financial results, in the manner and format specified by the Board;</p> <p>d) Intimations regarding:</p> <p>i) any revision in the rating;</p> <p>ii) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;</p> <p>iii) failure to create charge on the assets;</p> <p>iv) all covenants of the issue (including side letters, accelerated payment clause, etc.)</p>	Complied	<p>Mail attached; https://content-eu-4.content-cms.com/735827e6-7346-41e5-bd5a-da4569fbfe75/dxdam/82/825bc788-d01e-415c-b114-c50ca4333744/Axis%20Finance%20Limited-Annual%20Report-FY%202023.pdf</p>
13	<p>The Company shall forward to Debenture Trustee any information sought and provide access to relevant books of accounts as required by it</p>	None for the reporting period	-

14	The Company may, subject to the consent of the Debenture Trustee, send the information stipulated in sub-regulation (1), in electronic form/fax	None for the reporting period	-
15	The Company shall also disclose to the Debenture Trustee at the same time as it has intimated to the Stock Exchange, all material events and/or information as disclosed under Regulation 51 of LODR Regulations in so far as it relates to the interest, principal, issue and terms of non-convertible debt securities, rating, creation of charge on the assets, notices, resolutions and meetings of holders of non-convertible debt securities	Complied	-
16	Soft copies of the full annual reports to all the holders of non- convertible securities who have registered their email address(es) either with the listed entity or with any depository	None for the reporting period	-
17	Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not so registered	None for the reporting period	-
18	Hard copies of full annual reports to those holders of non-convertible securities, who request for the same	None for the reporting period	-
19	Quarterly communication as specified in Sub-Regulation (4) of Regulation 52 of the LODR Regulations, to holders of non-convertible debt securities	None for the reporting period	-
20	The Company shall send the notice of all meetings of holders of non-convertible debt securities and holders of non-convertible redeemable preference shares specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting	None for the reporting period	-
21	The Company shall send proxy forms to holders of non-convertible debt securities and non-convertible redeemable preference shares which shall be worded in such a manner that holders of these securities may vote either for or against each resolution	None for the reporting period	-
22	The Company shall submit to the Debenture Trustee on quarterly basis- Report on monitoring of Security Cover in the manner as may be specified by the Board from time to time	Complied	Mail attached
23	The Company shall submit to the Debenture Trustee on half yearly basis- Certificate from Statutory Auditor regarding Security Cover and Issuer's compliance with the covenants as contained in the Debenture Documents.	None for the reporting period	-

For Axis Finance Limited

AMITH RANGAN IYER
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Date: 2023.07.18 17:37:14 +05'30'

Amith Iyer

Chief Finance Officer

UDIN : 23040852BGURDW3889

Aniruddha Mohan Joshi
Digitally signed by Aniruddha Mohan Joshi
Date: 2023.07.18 17:59:44 +05'30'

Aniruddha Joshi