

**AXIS FINANCE LIMITED**

(A public company incorporated under the Companies Act, 1956 and validly existing under the Companies Act, 2013 (as amended))

CIN: U65921MH1995PLC212675

Registered &amp; Corporate Office: Ground Floor, Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025

Tel: 022-6226 0096 Fax: 022-4325 3085

Contact Person: Mr. Amith Iyer, CFO & Treasury Head, Email ID: [amith.iyer@axisfinance.in](mailto:amith.iyer@axisfinance.in)Compliance Officer- Rajneesh Kumar, Company Secretary, Email ID: [Rajneesh.kumar@axisfinance.in](mailto:Rajneesh.kumar@axisfinance.in)**PRIVATE PLACEMENT OFFER LETTER IN FORM PAS-4**

(Pursuant to Section 42 of the Companies Act, 2013 (The “Act”) And Rule 14 (1) of the Companies (Prospectus and Allotment Of Securities) Rules, 2014))

ISSUE BY WAY OF PRIVATE PLACEMENT (THE “ISSUE”) OF 600, SERIES 03/2018-19 BY AXIS FINANCE LIMITED (THE “COMPANY”) OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES BEARING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKH) EACH, AGGREGATING UPTO INR 60,00,00,000 (INDIAN RUPEES SIXTY CRORES) PLUS GREEN SHOE OPTION OF 200, SERIES 03/2018-19 BY THE COMPANY OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES BEARING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKH) EACH, AGGREGATING UPTO INR 20,00,00,000 (INDIAN RUPEES TWENTY CRORES).

This private placement offer letter (the “Offer Letter”) is issued under the Shelf Disclosure Document dated March 15, 2018, issued in terms of Regulation 5(2)(b), Regulation 19, Regulation 21 and Regulation 21A of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time up to an amount not exceeding Rs. 1000,00,00,000 (Rupees One Thousand Crores Only) to be issued in one or more tranches from time to time.

This Offer Letter contains all relevant information and disclosures required for issuing of the Debentures in accordance with Sections 42 of the Act and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (“PAS Rules”) and also in terms of Regulation 5(2)(b), Regulation 19, Regulation 21 and Regulation 21A of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time (“SEBI Regulations”). The Company shall file a copy of this Offer Letter with the jurisdictional Registrar of Companies (“ROC”) within the stipulated time prescribed under the Act. Any application by a person to whom the Offer Letter has not been sent by the Company shall be rejected without assigning any reason. The Issue described under this Offer Letter has been authorised by the Company through resolutions passed by the shareholders of the Company on 10<sup>th</sup> July, 2018 and the board of directors (“Board”) of the Company on 16<sup>th</sup> April, 2018 and the memorandum of association and articles of association of the Company (collectively, the “Constitutional Documents”). The Issue shall be subject to the provisions of the Act, the PAS Rules, other rules notified pursuant to the Act, the Constitutional Documents, the application form to be filled by the prospective eligible investors attached with the Offer Letter as Annexure I (the “Application Form”), and the terms and conditions of the Issue as may be incorporated in the debenture trust deed executed by the Company in relation to the Issue.

**DISCLAIMERS**

THIS OFFER LETTER IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS AND SHOULD NOT BE CONSTRUED TO BE A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS UNDER THE ACT. THE ISSUE IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. IT IS NOT INTENDED TO BE CIRCULATED TO ANY PERSONS OTHER THAN THE INVESTORS SPECIFICALLY APPROACHED WHO ARE ELIGIBLE TO APPLY FOR THIS PRIVATE PLACEMENT OF DEBENTURES, WHICH SHALL NOT EXCEED SUCH NUMBERS AS HAS BEEN PRESCRIBED UNDER SECTION 42 OF THE ACT READ WITH RULE 14(2)(B) OF THE PAS RULES. THIS OFFER LETTER IS ONLY ISSUED TO THE ADDRESSEE. HOWEVER, MULTIPLE COPIES GIVEN TO THE SAME ENTITY SHALL CONSTITUTE A SINGLE OFFER LETTER AND SHALL BE TREATED AS SUCH. IT DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE DEBENTURES ISSUED TO THE PUBLIC IN GENERAL.

**GENERAL RISKS**

As the Issue is being made on private placement basis, this Offer Letter has not been submitted, cleared or approved by SEBI. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Offer Letter. For taking an investment decision, potential investors must rely on their own examination of the Company, the Issue and this Offer Letter including the risks involved. Potential investors are advised to take an informed decision and consider with their advisers, of the suitability of the Debentures in the light of their particular financial circumstances, investment objectives and risk profile, and of all information set forth in this Offer Letter, including the section entitled “Risk Factors”, before investing.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Letter (including the documents incorporated by reference herein, if any) contains all information with regard to the Company and the Issue, that the information contained in this Offer Letter is true and correct in all material respects and is not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes this Offer Letter as a whole or any of such information or the expression of any such opinions or intentions misleading in any respect.

**CREDIT RATING**

The Debentures have been rated by India Ratings & Research Limited as ‘AAA/Outlook Stable’ (Kindly refer **Annexure A** Terms & conditions of the issue and **Annexure H** Credit Rating Letter). The said rating is not a recommendation to buy, sell or hold the Debentures and Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning credit rating agency and each rating should be evaluated independently of any other rating. The rating obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information etc.

**LISTING**

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited (“BSE”).

**ISSUE SCHEDULE**

ISSUE OPENING DATE	ISSUE CLOSING DATE	PAY-IN DATE	DATE OF ALLOTMENT
24 <sup>th</sup> July, 2018	24 <sup>th</sup> July, 2018	25 <sup>th</sup> July, 2018	25 <sup>th</sup> July, 2018

REGISTRAR	DEBENTURE TRUSTEE
<b>LINK INTIME INDIA PRIVATE LIMITED</b>	<b>CATALYST TRUSTEESHIP LIMITED</b>
Office: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel: +91 22 49186000 Fax: +91 22 49186060 Email: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>	Office: 83 – 87, 8th Floor, ‘B’ Wing, Mittal Tower, Nariman Point Mumbai – 400021 Tel: 22 4922 0555 Fax: 22 4922 0505 Email: <a href="mailto:deesha.trivedi@ctltrustee.com">deesha.trivedi@ctltrustee.com</a> Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>

**TABLE OF CONTENTS**

<b>GENERAL INFORMATION</b>	<b>3</b>
<b>BRIEF SUMMARY OF THE BUSINESS ACTIVITIES OF THE ISSUER AND ITS SUBSIDIARIES IF ANY</b>	<b>3-8</b>
<b>MANAGEMENT'S PERCEPTION OF RISK FACTORS</b>	<b>8-13</b>
<b>DETAILS OF DEFAULT</b>	<b>14</b>
<b>PARTICULARS OF THE OFFER</b>	<b>14-15</b>
<b>DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC</b>	<b>16-17</b>
<b>FINANCIAL POSITION OF THE COMPANY</b>	<b>17-18</b>
<b>ILLUSRATION OF CASH FLOWS FROM THE DEBENTURES</b>	<b>18</b>
<b>DECLARATION</b>	<b>19</b>
<b>ANNEXURE A TERMS AND CONDITONS OF THE OFFER</b>	<b>20-22</b>
<b>ANNEXURE B REMUNERATION TO DIRECTORS</b>	<b>23</b>
<b>ANNEXURE C RELATED PARTY TRANSACTIONS</b>	<b>24</b>
<b>ANNEXURE D SUMMARY OF FINANCIAL POSITION OF THE COMPANY DURING THE LAST THREE FINANCIAL YEARS</b>	<b>25-28</b>
<b>ANNEXURE E AUDITED CASH FLOW STATEMENTS</b>	<b>29-30</b>
<b>ANNEXURE F CERTIFIED COPYOF BOARD RESOLUTION</b>	<b>31</b>
<b>ANNEXURE G CERTIFIED COPY OF THE SHAREHOLDERS RESOLUTION</b>	<b>32-33</b>
<b>ANNEXURE H CREDIT RATING LETTER</b>	<b>35-36</b>

This Offer Letter shall be read in conjunction with the Debenture Trust Deed and the other Transaction Documents and it is agreed between the Debenture Trustee and the Company that in case of any inconsistency or conflict between this Offer Letter and the Debenture Trust Deed, the provisions of the Debenture Trust Deed shall prevail and override the provisions of this Offer Letter.

## 1. GENERAL INFORMATION

a.	Name of the Company	Axis Finance Limited
b.	Address of the Company	<p><b>Registered Office:</b> Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025</p> <p><b>Corporate Office:</b> Ground Floor, South Wing, Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025</p>
c.	Website and other contact details of the Company	<p><b>Contact Person:</b> Mr. Amith Iyer, CFO &amp; Treasury Head Tel: : +91-22-6226 0096 Fax: +91-22-4325 3085 Email ID: amith.iyer@axisfinance.in</p> <p><b>Compliance Officer:</b> Mr. Rajneesh Kumar, Vice President and Company Secretary Tel: +91-22-6226 0117 Fax: +91-22-4325 3085 Email: rajneesh.kumar@axisfinance.in</p> <p><b>Website:</b> www.axisfinance.co.in</p>
d.	Date of incorporation of the company;	April 27, 1995
e.	Corporate Identification Number	U65921MH1995PLC212675

## 2. BRIEF SUMMARY OF THE BUSINESS ACTIVITIES OF THE ISSUER AND ITS SUBSIDIARIES IF ANY

### Business Overview

The Company was incorporated as Kalpataru Hire Purchase & Leasing Private Limited on 27-04-1995. The name of Company was later changed to Enam Finance Private Limited (EFPL) vide certificate of incorporation dated 24-06-2008. As part of the scheme of arrangement, wherein certain business activities of Enam Group were acquired by Axis Bank Group, accordingly, with effect from 20-10-2012, Enam Securities Private Limited (holding company of EFPL) was merged into Axis Sales and Securities Limited, a wholly owned subsidiary of Axis Bank Limited. The name of the merged entity was thereafter changed to Axis Capital Limited.

Further, giving legal effect to the scheme of arrangement, the Board of Directors of the EFPL in their meeting held on 20-10-2012 approved the transfer of shares of EFPL held by Axis Capital Limited to Axis Bank Limited. In order to reflect the change in ownership and control the name of the Company was changed from EFPL to Axis Finance Private Limited vide certificate of incorporation dated 26-03-2013. The Company was later converted into Public company and to its present name vide a fresh Certificate of Incorporation issued on 10-05-2013.

The Company is a systemically important non-deposit accepting non-banking financial company (NBFC-ND-SI) and is registered with the Reserve Bank of India. The Company is a wholly owned subsidiary of Axis Bank Limited.

As on March 31, 2018, the net-worth of the Company was Rs. 1064.64 Crores.

Axis Finance Limited has no subsidiaries.

**Parent Overview:**

**Axis Bank Limited** is one of the first new generation private sector banks to have begun operations in 1994. The Bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Limited, The New India Assurance Company Limited, The Oriental Insurance Company Limited and United India Insurance Company Limited. The shareholding of Unit Trust of India was subsequently transferred to SUUTI, an entity established in 2003. Today, the Bank is India's third largest private sector bank. It offers the entire spectrum of financial services to customer segments, covering Large and Mid-Corporates, MSME, Agriculture and Retail Businesses. With its 3,589 domestic branches (including extension counters) and 13,977 ATMs across the country as on 31st December 2017, the network of the Bank spreads across 1,946 cities and towns, enabling the Bank to reach out to a large cross-section of customers with an array of products and services. The Bank's overseas operations are spread over nine international offices with branches in Singapore, Hong Kong, Dubai, Colombo and Shanghai; representative offices located in Dhaka, Dubai, Abu Dhabi, along with an overseas subsidiary in London, UK. The international offices focus on corporate lending, trade finance, syndication and liability businesses. As on 31st March 2018, the Bank has nine unlisted subsidiary companies: Axis Asset Management Company Limited, Axis Mutual Fund Trustee Limited, Axis Bank UK Limited, Axis Capital Limited, Axis Finance Limited, Axis Private Equity Limited, Axis Trustee Services Limited, Axis Securities Limited, and A.Treds Limited

**Product Profile:**

Axis Finance Limited as a Non-Banking Finance Company is positioned to offer products in the Retail as well as Corporate Banking segments, some of the key product offerings are:

Corporate Lending	Retail Lending	Advisory & Arranging Services
Promoter Funding& Real Estate Funding	Margin Trading Funding	Advisory and arranging services for Corporate Clients
Loan against Marketable securities	IPO Funding	
Structured & Mezzanine Funding	ESOP Financing	
Special Situations Funding	Loan against Shares(LAS), Loan Against MFs, Bonds & FDs & Loan against Property(LAP)	

A brief on the products is as below:

**Corporate Financial Products**

- **Promoter Funding:** by way of Loan against Shares (Listed/Unlisted) for facilitating various requirements of the Promoters of Large and Mid-Size Indian Corporates. AFL facilitates such financing requirements ranging from simple to complex loan structures with flexibility of short to long duration maturities
- **Structured & Mezzanine Products:** Structured products share characteristics of both equity and debt and include secured products such as term loans, convertible/non-convertible debentures.

- **Special Situations Funding:** Such as Acquisition Funding, PE Buyouts or Creeping Acquisitions, Family Settlements, Bridge Financing and Others.
- **Real estate funding:** Providing financing through variety of products including debt and structured debt, bridge or last mile funding, loans with no end-use restriction.

#### **Retail Financial Products**

- **Margin Trade Funding:** Individual can avail finance against listed securities (BSE & NSE) from Axis Finance Limited at predefined margin ranging from 25%-60% depending on scrip category.
- **IPO Funding:** Retail customers can avail finance by paying upfront margin of around 2- 20% of application in IPO & can get the benefit of applying for larger ticket size with minimum investment.
- **ESOP Funding:** Retail customers can avail finance to exercise ESOP options. Corporate level engagement for providing the facility to eligible employees.
- **Loan against Shares(LAS):** Retail customers can avail loan (Tenor – 12-36 months) against approved shares from the approved list.
- **Loan Against Mutual Funds, Bonds & Fixed Deposits:** Retail customers can avail a loan against your mutual funds, bonds and fixed deposits while continuing to earn returns on them without liquidating them.
- **Loan against Property (LAP):** Retail customers can avail loan (Tenor –12-60 months) against residential property.

#### **BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY**

The brief profile of the Board of Directors is as under:

**Mr. V. Srinivasan** is a qualified engineer from the College of Engineering, Anna University, Chennai who has also completed his PGDBM from the Indian Institute of Management, Calcutta in 1990. He began his career in the financial services industry with ICICI Ltd., in its Merchant Banking Division, in 1990. He was a part of the start-up team of ICICI Securities and Finance Co. Ltd (I-Sec), the joint venture between ICICI and J.P. Morgan and headed the Fixed Income business there. Since 1999, Shri V. Srinivasan was working with J.P. Morgan, India and in his last assignment he was the Managing Director and the Head of Markets. He was the CEO of J.P. Morgan Chase Bank, Mumbai Branch as well as Chairman, J.P. Morgan Securities (I) Pvt. Ltd. at the time he left J.P. Morgan. He has served on various RBI Committees such as the Technical Advisory Committee of RBI, Committee of Repos, STRIPS etc. He has also served as a Chairman of FIMMDA, the key self-regulatory body for bond and money markets and PDAI, the self-regulatory organization for Primary Dealers. Mr. V. Srinivasan, joined Axis Bank as the Executive Director - Corporate Banking in 2009 and was promoted as a Director on the Board of Axis Bank in October 2012. Currently is the Deputy Managing Director of Axis Bank and also serves as the Chairman of Axis Finance Ltd.

**Mr. Bipin Kumar Saraf** is a Rank Holder Chartered Accountant and Cost Accountant and holds a Bachelor's degree in Commerce. He has more than 20 years of experience in the areas of Finance and Banking. Before joining Axis Bank Limited, Mr. Saraf was with IFCI Limited from 1995 to 2003. He commenced his career with IFCI Limited and was responsible for handling the portfolio of large and medium corporates belonging to various sectors including Steel, Power, Textile, Petrochemicals, etc. He joined the Capital Market Department of Axis Bank Limited in 2003 and was in-charge of the Corporate & Financial Advisory Portfolio in the Eastern Zone with the primary responsibility of undertaking project advisory & appraisal assignments, corporate restructuring and syndication of funds for various corporate clients. Subsequent to that he was responsible for the Structured Products business under the Capital Markets Department of Axis Bank Limited. During his last stint with Axis Bank he was Head of the Global Debt Syndication Business (International & Domestic). He has been heading Axis Finance Ltd as the MD & CEO for the last three years and has been instrumental in setting up this wholly owned subsidiary NBFC under Axis Bank. To his credit, Axis Finance Limited (AFL) in the span of three years has evolved as one of the fastest growing NBFCs with a balance sheet size of above Rs. 3,000 crores and a prime focus on Wholesale and Retail

Lending. AFL under his tenure has secured the Highest Credit Rating (ICRA & India Ratings), exhibited robust operating parameters and is well poised to grow in future years.

**Mr. R. V. R. Kaundinya** is a Graduate in Agriculture from AP Agricultural University, Hyderabad. He holds an MBA degree with specialization in Agriculture from the Indian Institute of Management, Ahmedabad. Mr. Kaundinya has worked extensively in the areas of productivity enhancement of farmers and improvement of their profitability through the use of high quality inputs. He has also worked on the development of seed production areas, contract farming systems in the seed / crop production areas in India and abroad. He was involved in a project that was aimed at the elimination of child labour in cotton seed farmers' fields in Andhra Pradesh. Mr. Kaundinya was a member of the Dr. Swaminathan Committee to develop the Biotech Policy in India. He held various leadership positions in industry associations like the Indian Crop Protection Association, Association of Seed Industry and Crop Biotech Association. He has developed case studies and taught Agricultural Marketing and Rural Development classes at the Indian Institute of Management, Ahmedabad.

**Mrs. Madhu Dubhashi** is an Economics (Honours) graduate from Delhi University and a post graduate in Business Administration from Indian Institute of Management, Ahmedabad (1971-73). She has been associated with the financial markets for over 41 years with wide experience, including assessment of viability of projects at ICICI Ltd., and managing of IPOs and FOOs during her tenures with Standard Chartered Bank, Investment Banking Division and J M financial & Investment Consultancy Services Ltd. She has also been instrumental in setting up a dedicated centre for financial analysis of companies rated by CRISIL in her capacity as CEO of Global Data Services of India, erstwhile subsidiary of CRISIL Ratings Ltd. She is currently the Principal Partner at INNOVEN Business Consultancy. Mrs. Dubhashi is on the boards of several well-known companies as an Independent Director.

**Mr. Cyril Anand Madireddi** holds a Bachelor's degree in Commerce, and a Master's Degree in Business Administration. He brings with him more than 25 years of experience in the banking industry. He joined Axis Bank in April 1995. In the last 20 years, he has held several roles in various departments of the Bank, like Branch banking, Corporate and International banking. Cyril's last role was CEO for Axis Bank UK Limited, an International subsidiary of Axis Bank. He has since moved back to India and is currently the Chief Risk Officer for the Bank

**Mr. K.N. Prithviraj** is a first rank holder in M.A. (Economics) from Madras University and a Research Fellow, Department of Economics, Madras University. At present, he is the Chairman of Can Fin Homes Ltd. He is also the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI). He has more than 38 years of experience in the banking industry: Chairman and MD for Oriental Bank of Commerce; Executive Director, United Bank of India; General Manager, Punjab National Bank Corporate Credit & Human Resource Department; General Manager, Punjab National Bank - Western Zone. He was a Government Nominee Director for Oriental Insurance Company for two years.

**Mr. Jairam Sridharan** is a Bachelor of Technology in Chemical Engineering from IIT Delhi and Post Graduate Diploma in Management from IIM Calcutta. He is currently the Group Executive and Chief Financial Officer at Axis Bank and handles Finance, Strategy & Business Intelligence functions. He has nearly two decades of experience in the Banking & Financial Services Industry. He joined Axis Bank in June 2010 from Capital One Financial, a consumer bank based in Richmond, VA (USA). He has earlier worked with ICICI Bank in their initial foray into Retail Lending businesses.

**Mr. Rajesh Kumar Dahiya** is a Bachelor of Engineering, Civil and has also done MBA in Human Resources. He is currently Group Executive & Head-Corporate Center at Axis Bank. He also oversees the functioning of Axis Bank Foundation. Before joining Axis Bank in June 2010, he was associated with Tata Group for 20 years where he handled various responsibilities across functions such as Human Resources, Manufacturing, Exports, Distribution and Institutional Sales. His last assignment before joining Axis Bank was with Tata Tea Limited where he was responsible for integrating various products of Tata Tea, Himalaya & Tetley under a common distribution channel. In his earlier role in Tata Sons, he was Vice President - Group Talent Acquisition and Head - Tata Administrative

Services (TAS). He also headed the Human Resources function for Rallis India Pvt. Ltd.

**Details of the current directors of the Company as on July 20<sup>th</sup>, 2018:**

NAME, DESIGNATION AND DIN	AGE	ADDRESS	DIRECTOR OF THE COMPANY SINCE	DETAILS OF OTHER DIRECTORSHIP
<b>Mr. Srinivasan Varadraj</b> Designation – Director (Chairman) DIN- 00033882	52 Years	1301-B, Chaitanya Towers, Appa Saheb Marathe Marg, Prabha Devi, Mumbai – 400 025	October 20, 2012	- Axis Bank Limited - Axis Trustee Services Limited - Axis Capital Limited - Axis Private Equity Limited - A.Treds Limited - Axis Bank UK Limited
<b>Mr. Bipin Saraf</b> Designation -MD & CEO DIN- 06416744	45 Years	Flat No. 42, 4th Floor, Meherdad Building, 64 Cuffe Parade, Mumbai – 400 005	October 20, 2012	- Nil.
<b>Mrs. Madhu Dubhashi</b> Designation – Director (Independent) DIN- 00036846	65 Years	B 29, Gate 3, Abhimanshree Society, NCL Pashan Road, Pune 411 008	February 26, 2015	- Tube Investments of India Ltd. - Majesco Limited - Majesco Software & Solutions India (P) Limited - Pudumjee Paper Products Ltd - JM Financial Properties & Holdings Ltd - Recommender Labs Pvt Ltd - CR Retail Malls (India) Limited
<b>Mr. V.R. Kaundinya</b> Designation – Director (Independent) DIN-00043067	60 Years	Flat No. 146, Srila Heights, East Marredpally, Secunderabad - 500026	February 26, 2015	- Unicorn Seeds Private Limited - Advanta Seeds Limited - Tilvila Horticulture Farms Private Limited - Tilvila Agri Solutions Pvt Ltd. - Syngenta India Ltd. - Bruhat Energy Solutions and Technologies Pvt Limited - Capaleph Advisors India Private Limited - Agrirain Agro Industries India Private Limited - Vasudhaika Software Solutions Private Limited
<b>Mr. Cyril Anand Madireddi</b> Designation – Director DIN - 07489389	52 Years	Flat No. 701, Vidhata Building, Nav Chitrakoot, Apt 468, Opp.Gabann, a Khar(W), Mumbai- 400052	April 12, 2016	- Nil.

NAME, DESIGNATION AND DIN	AGE	ADDRESS	DIRECTOR OF THE COMPANY SINCE	DETAILS OF OTHER DIRECTORSHIP
<b>Mr. K.N. Prithviraj</b> <b>Designation –</b> Director (Independent) <b>DIN - 00115317</b>	69 Years	Flat No S/3 Zara Apts, 265, Dr Srinivasan road, BEML Layout III Stage R.R. Nagar, Bangalore 560098	July 4, 2016	<ul style="list-style-type: none"> <li>- Can Fin Homes Ltd.</li> <li>- Brickwork Ratings India Pvt. Ltd.</li> <li>- IL &amp; FS Infra Asset Management Ltd.</li> <li>- National Financial Holdings Company Ltd.</li> <li>- Specified undertakings of UTI (SUUTI) (Govt. Body)- Non Corporate</li> <li>- UTI Infrastructure and Services Ltd. (Subsidiary of SUUTI)</li> <li>- Dwarikesh Sugar Industries Ltd.</li> <li>- Levana Consultants Private Limited</li> </ul>
<b>Mr. Jairam Sridharan</b> <b>Designation –</b> Director <b>DIN - 05165390</b>	43 Years	Flat No 1801, Ashok Tower-B Dr. Babasaheb Ambedkar Marg, Parel Mumbai 400012	October 13, 2017	<ul style="list-style-type: none"> <li>- A.Treds Limited</li> <li>- Freecharge Payment Technologies Private Limited</li> </ul>
<b>Mr. Rajesh Kumar Dahiya</b> <b>Designation –</b> Director <b>DIN - 07508488</b>	51 Years	5-B Vaibhav Apartment, B. Desai Road, Warden Road, Mumbai 400026	July 10, 2018	<ul style="list-style-type: none"> <li>- Axis Bank Ltd</li> <li>- Axis Private Equity Ltd</li> </ul>

**None of the current directors of the company is appearing in the RBI defaulter list and/or ECGC default list.**

### **3. MANAGEMENT'S PERCEPTION OF RISK FACTORS**

Every business carries inherent risks and uncertainties that can affect financial conditions, results of operations and prospects. Investors should carefully consider all the information in this Shelf Disclosure Document, including the risks and uncertainties described below, as well as the financial statements contained in this Shelf Disclosure Document, before making an investment in the Debentures. The Company believes that the following risk factors may affect its ability to fulfil its obligations under the Debentures issued under the Debenture Documents. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been disclosed in such risk factors. You should not invest in the Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your own tax, financial and legal advisors about the particular consequences of an investment in the Debentures. Unless otherwise stated, our financial information used in this section is derived from our audited consolidated financial information, prepared in accordance with accounting standards generally accepted in India.



**Risks relating to the Issue:**

The following are some of the risks envisaged by the Company's management. Investors should consider the same carefully for evaluating the Issuer and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the risks occur, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Issuer's securities could decline.

The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures issued under this Offer Letter, but the inability of the Issuer, as the case may be, to pay necessary amounts, on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive. Investors should also read the detailed information set out elsewhere in this Offer Letter and reach their own views prior to making any investment decision.

**Risks relating to the Company**

**1. Interest Rate Risk**

The Company's business is largely dependent on interest income from its operations. The Company is exposed to interest rate risk principally as a result of lending to customers at interest rates and in amounts and for periods, which may differ from its funding sources (institutional / bank borrowings and debt offerings). The Company seeks to match its interest rate positions to minimize interest rate risk. Despite these efforts, there can be no assurance that significant interest rate movements will not have an effect on its results of operations. Interest rates are highly sensitive to many factors beyond its control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors interest rates in India have historically experienced a relatively high degree of volatility. Nevertheless, the endeavor of the Company will be to keep the interest rate risk at minimum levels by proactively synchronizing resource securing and lending activities on an ongoing basis.

**2. Access to Capital Markets and Commercial Borrowings**

The Company's growth will depend on its continued ability to access funds at competitive rates. With the growth of its business, the Company is increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and its ability to obtain funds at competitive rates will depend on various factors, including its ability to maintain its credit ratings. While its borrowing costs have been competitive in the past due to its credit rating and the quality of its asset portfolio, if the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans. This may adversely impact its business and its future financial performance. The value of its collateral may decrease or the Company may experience delays in enforcing its collateral when its customers default on their obligations, which may result in failure to recover the expected value of collateral and adversely affect its financial performance.

The developments in the international markets affect the Indian economy including the financial liquidity position. Our Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at competitive rates. Being an NBFC, we also face certain restrictions to raise money from international markets which are relatively cheaper sources of money and this further constrains our ability to raise cheaper funds.

**3. Failure to recover the expected value of collateral when borrowers default on their obligations to Company may adversely affect its financial performance.**

The Company cannot guarantee that it will be able to realize the full value of its collateral, due to, among other things, defects in the perfection of collateral, delays on its part in taking immediate action in bankruptcy foreclosure proceedings, stock market downturns, claims of other lenders, legal or judicial restraint and fraudulent transfers by borrowers. In the event a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, to put in place an institutional mechanism for the timely and transparent restructuring of corporate debt, the RBI has devised a corporate debt restructuring system. Any failure to recover the expected value of collateral security could expose the Company to a potential loss. Apart from the RBI guidelines, the Company may be a part of a syndicate of lenders, the majority of whom elect to pursue a different course of action than the Company would have chosen. Any such unexpected loss could adversely affect business, prospects, results of operations and financial condition.

4. Asset-Liability mismatches in the short term, which could affect company's liquidity position.

The difference between the value of assets and liabilities maturing in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several NBFCs, a portion of our funding requirements is met through short-term funding sources, i.e. working capital demand loans, cash credit, short term loans and commercial papers. However, some portion of our assets has medium or long-term maturities. As the Company grows its business, the proportion of medium and long-term assets in the portfolio is expected to grow. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

5. Our inability to control the number and value of NPAs in our portfolio could adversely affect our business and results of operations.

The Company's inability to control or reduce the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may severely impact its business. While the Company's total provisioning against the NPAs at present may be adequate to cover all the identified losses in our loan portfolio, there may not be any assurance that in future the provisioning, though compliant with regulatory requirements, will be sufficient to cover all anticipated losses. Further, the Company may not be able to meet its recovery targets set for the particular financial year due to the intense competition witnessed at both global and domestic levels. In such circumstances, there could be an increase in the number and value of NPAs which can impact the Company.

6. System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business.

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be

vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

7. Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations.

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Under the terms of some of the credit lines, the Company is required to obtain the prior written consent of the concerned lender prior to the Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or a substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in the Company's MoA and Articles. This may restrict/ delay some of the actions / initiatives that our Company may like to take from time to time.

8. We may not get the benefits of being Axis Group Company in case of any change of control.

In case of any change of control due to any event such as transfer of shares by our Promoter, preferential allotment to any investor, our ability to leverage the "AXIS" brand may get affected and the benefits of being an AXIS company including leveraging of business from other AXIS companies may not be available to us and consequently, could adversely impact our business operations and profitability.

9. We are exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders.

Like other financial intermediaries, we are also exposed to various operational risks which include the risk of fraud or misconduct by our employees or even an outsider, unauthorized transactions by employees or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions we take to detect and prevent these activities may not be effective in all cases. Any such instances of employee misconduct or fraud, the improper use or disclosure of confidential information, could result in regulatory and legal proceedings and may harm our reputation and also our operations.

10. We may not be able to attract or retain talented professionals required for our business.

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

11. The Company faces increasing competition from established banks and NBFCs. The successful implementation of our growth plans depends on our ability to face the competition.

The Company's main competitors are established commercial banks and NBFCs. Over the past few years, the financing area has seen the entry of banks, both nationalized as well as foreign. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. The Company also faces increased competition from new NBFC's foraying into this space and some of which have been quite aggressive in their pricing to garner market share.

12. We may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.

Our business of lending with or without securities exposes us to the risk of third parties that owe us money. Our loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrower's / borrower groups in the future could adversely affect our business and our financial performance.

#### **Risks Relating to the Utilization of Issue Proceeds**

13. Our management will have significant flexibility in applying proceeds of the Issue.

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various activities, including but not restricted to, lending and investments, to repay our existing loans, our business operations including capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board.

Further as per the provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

#### **Risks Relating to the Debentures**

14. Changes in general interest rates in the economy may affect the price of our Debentures.

All securities where a fixed rate of interest is offered, such as our Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and /or a growing economy, are likely to have a negative effect on the price of our Debentures.

15. We are not required to maintain any Debenture Redemption Reserve (DRR) for the Debentures issued under this Offer Letter.

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures by the Issuer as per Rule 18(7) of the Companies (Share Capital & Debentures) Rules 2014, as they are privately placed debentures issued by a non-banking financial company.

16. Any downgrading in credit rating of our Debentures may affect the value of Debentures and thus our ability to raise further debts.

The Debentures are rated by India Ratings Limited as IND AAA. The Issuer cannot guarantee that the rating will not be downgraded. Such a downgrade in the above credit rating may lower the value of the NCDs and may also affect the Issuer's ability to raise further debt.

#### **External Risk Factors**

17. Our business may be adversely impacted by natural calamities or unfavorable climatic changes.

India, Bangladesh, Pakistan, Indonesia and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu/swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the financial services sector of which our Company is a part. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which we have operations, which could adversely affect our business and the price of our Debentures.

18. We are subject to regulatory and legal risk which may adversely affect our business.

The operations of an NBFC are subject to regulations framed by the RBI and other authorities including regulations relating to foreign investment in India. The Company is required to maintain a CRAR of 15%, besides complying with other prudential norms.

We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance.

19. Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms, or at all.

20. Civil unrest, terrorist attacks and war could affect our business.

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighboring countries. Also, some of India's neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business and the price and yield of the Debentures.

#### 4. DETAILS OF DEFAULT

Statutory Dues	Nil
Debentures and Interests thereon	Nil
Deposits and interest thereon	Nil
Loan from any bank or financial institution and interest thereon	Nil

#### 5. PARTICULARS OF THE OFFER

a.	Date of passing of board resolution	16 <sup>th</sup> April, 2018 (Extract of the certified copy of the resolution has been annexed in <b>Annexure F</b> )
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities	10 <sup>th</sup> July, 2018 (Extract of the certified copy of the resolution has been annexed in <b>Annexure G</b> )
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security	Secured, Redeemable, Non-Convertible Debentures
d.	Price at which the security is being offered including the premium, if any, alongwith justification of the price	Face Value: INR 10,00,000 Issue Price: Please refer to <b>Annexure A (Terms and Conditions of this Issue)</b> of this Offer Letter Justification: Not Applicable Premium: Not Applicable
e.	Name and address of the valuer who performed valuation of the security offered	Not Applicable
f.	Amount which the company intends to raise by way of securities	The Company proposes to issue the Debentures aggregating Upto INR 60,00,00,000 (Indian Rupees Sixty Crores) plus Green Shoe Option upto INR 20,00,00,000 (Indian Rupees Twenty Crores)
g.	Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	Please refer to <b>Annexure A (Terms and Conditions of this Issue)</b> of this Offer Letter
h.	Proposed time schedule for which the offer letter is valid	Issue Opening Date: 24 <sup>th</sup> July, 2018 Issue Closing Date: 24 <sup>th</sup> July, 2018

i.	Purposes and objects of the offer	The object of the Issue is to augment long-term resources of the Company in its line of business, to repay the existing loans and business operations including for capital expenditure and working capital requirements.
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	NIL
k.	Principle terms of assets charged as security, if applicable	<p>In terms of the Debenture Trust Deed dated March 26, 2018, the Company has created the following charge over its assets –</p> <ul style="list-style-type: none"> <li>– Equitable mortgage in favour of the Debenture Trustee out of the parcel of vacant land measuring an extent of 6,262 square feet, in the approved layout bearing No. 29 of 2009, Area, comprised in Survey No. 1313/2 Part of Sriperumbudur Village, Sriperumbudur Taluk, Kancheepuram District, Lake View Garden Layout, (Now known as Town and Country) and a commercial premises admeasuring an extent of 142 Square feet (Super Built up Area) bearing No. Shop II Plot together with 130 Square feet of undivided share of the aforementioned underlying lands situated at Kancheepuram District more particularly described in the Debenture Trust Deed.</li> <li>– Hypothecation in favour of the Debenture Trustees (acting for and on behalf of and for the benefit of Debenture holders), all its present and future rights, title, interests, benefits, advantages, permits, licenses and remedies in under or arising out of all accounts receivables, book debts and other debts, proceeds, revenues and monetary claims, loans advances or credit of whatsoever nature, howsoever owing, whatsoever and wheresoever situate, both present and future, due, owing or accruing to the Issuer in the course of the Issuer's trade or business; and benefits rights and remedies of the Issuer under or arising from all guarantees, bills of exchange, promissory notes and other securities with respect to the receivables, all the contracts of sale, all the contract rights, all the moneys and all claims for moneys payable or to become payable, including without limitation damages, arising out of the foregoing, the benefit of any securities for the time being held by the Issuer in respect of any of the foregoing; and all its present and future rights, title, interest, benefits, advantages, permits, licenses and remedies in under or arising out of all the goods.</li> </ul> <p>The charge created on the Secured Assets shall rank pari passu with the present and future lenders and debenture holders of the Company. The Company reserves the right to create further pari passu charge or encumbrances on the Secured Assets without seeking the consent of the Debenture Trustee or the Debenture Holders so long as the security cover of 1.00 times of the Secured Obligations is maintained.</p>

**6. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons	NIL
ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	Our parent is Axis Bank Limited which is a banking entity. As on date, considering the size of operations of Axis Bank Limited, there are no tax litigations resulting in material liabilities. Further there are no cases either individually or in the aggregate, that would have a material adverse effect on the financial condition, results of operations or cash flows of Axis Bank Limited.
iii.	Remuneration of directors (during the current year and last three financial years)	Please refer to <b>Annexure B</b> ( <i>Remuneration of the Directors during the Current Year and the Last Three Financial Years</i> ) of this Offer Letter.
iv.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided	Please refer to <b>Annexure C</b> ( <i>Related Party Transactions entered during the Last Three Financial Years</i> ) of this Offer Letter.
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark	NIL
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the	NIL



	year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries	
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company	NIL

## 7. FINANCIAL POSITION OF THE COMPANY

### (a) Capital structure of the Company

#### Details of Share Capital as on July 20, 2018:

Share Capital	Rs. 480,75,00,000
Authorized Share Capital	Rs. 10,00,00,00,000
Issued, Subscribed and Paid-up Share	Rs. 480,75,00,000

### (ii) Paid up Capital

Particulars	Amount (Rs)
a. After the offer	480,75,00,000
b. After conversion of convertible instruments, if applicable	NA
c. Share premium account (before and after the offer)	NA

### (iii) Equity Share Capital history of the Company as on July 20, 2018 and last 5 Financial Years

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash etc)	Nature of Allotment	Cumulative	
						No of equity shares	Equity Share Capital (Rs)
28.02.2016	6,25,00,000	10	20	Cash	Rights Issue	48,07,50,000	480,75,00,000
27.06.2016	5,00,00,000	10	20	Cash	Rights Issue	41,82,50,000	418,25,00,000
17.11.2015	5,00,00,000	10	20	Cash	Rights Issue	36,82,50,000	368,25,00,000
01.01.2015	6,25,00,000	10	16	Cash	Rights Issue	31,82,50,000	318,25,00,000
27.05.2013	25,00,00,000	10	10	Cash	Preferential Allotment	25,57,50,000	255,75,00,000
08.02.2013	20,00,000	10	200	Cash	Conversion of Preference Shares into Equity Shares	57,50,000	5,75,00,000

### (b) Profits of the Company, before and after making provisions for tax, for the three financial years immediately preceding the date of circulation of offer document:

(in crores)

Particulars	FY 18	FY 17	FY 16	FY 15
Profit before provision for tax	320.52	253.31	169.90	117.39
Less: provision for tax	111.16	88.04	59.13	39.23
Profit after provision for tax	209.36	165.27	110.77	78.16

- (c) Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)

Particulars	FY 18	FY 17	FY 16	FY 15
Dividend Paid in Rs. Crs	121.28	94.94	62.60	Nil
Interest Coverage Ratio	1.89	1.86	1.67	1.88

- (c) Summary of financial position of the Company as in the three audited balance sheets immediately preceding the date of circulation of Offer Letter

Please refer to **Annexure D** (*Summary of Financial Position of the Company during the Last Three Financial Years*) of this Offer Letter.

- (d) Audited Cash Flow Statements for the three years immediately preceding the date of circulation of the offer letter

Please refer to **Annexure E** (*Audited Cash Flow Statements for the Last Three Financial Years*) of this Offer Letter.

- (e) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company: No

## 8. ILLUSTRATION OF CASH FLOWS FROM THE DEBENTURES

**Series 03/18-19**

**Issue Price – Rs. 10,00,000**

Cash Flow	Date	No. of days	Amount
Premium	06-07-2021	1077	2,78,745
Principal	06-07-2021		10,00,000
Total			12,78,745

**DECLARATION**

We, the directors of the Company certify that:

- a. the Company has complied with the provisions of the Act and the rules made thereunder;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.

I am authorized by the Board of Directors of the Company vide resolution dated April 16, 2018 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**For Axis Finance Limited**



**Bipin Saraf**  
**Managing Director & CEO**

Place: Mumbai

Date: 20<sup>th</sup> July, 2018

*Attachments: -*

***Annexure A- Terms and Conditions of the Issue***

***Annexure B- Remuneration to Directors***

***Annexure C- Related Party Transactions***

***Annexure D- Summary of Financial Position of the Company during the Last Three Financial Years***

***Annexure E- Audited Cash Flow Statements for the last 3 (three) years immediately preceding the date of this Offer Letter.***

***Annexure F- Certified copy of the Board resolution of the Company***

***Annexure G- Certified copy of the shareholders' resolution of the Company***

***Annexure H- Credit Rating Letter***

### ANNEXURE A

Issuer	<b>Axis Finance Ltd. (“AFL” or the “Issuer”)</b>
Type of Instrument	Secured Redeemable Non-Convertible Debentures
Nature of Instrument	Secured Redeemable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	Only the persons who are specifically addressed through a communication are eligible to apply for the Debentures. No other person can apply.
Listing	The NCDs would be listed on the Wholesale Debt Market Segment (WDM) of the BSE Ltd (BSE)
Option to retain oversubscriptions	<b>N.A</b>
Objects of the Issue	<p>The object of the Issue is to augment long-term resources of the Company in its line of business, to repay our existing loans and business operations including for capital expenditure and working capital requirements.</p> <p>The expenses of the present issue would also be met from the proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date.</p> <p><b>Interim Use of Proceeds</b> The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.</p>
Utilisation of Issue Proceeds	The proceeds of the issue will be utilized for general corporate purposes including augmenting long-term financing requirements of the company in its business and also for other purposes as may be decided by our Board and as permissible under applicable laws and government policies.

Series	<b>03/2018-19</b>
Security Name	<b>Zero% AFL, 06<sup>th</sup> July 2021</b>
Credit Rating	India Ratings IND AAA
Issue Amount	Rs.60.00 crores
Green Shoe	Rs.20.00 crores
Coupon Rate	ZERO%
YTM(on XIRR basis)	8.69% IRR
Step Up/Step Down Coupon Rate	N.A
Coupon Payment Frequency	N.A
Coupon payment dates	N.A
Coupon Type	N.A
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	N.A
Put / Call Option	N.A
Day Count Basis	Actual/Actual
Tenor	1077 days
Redemption Date	06 <sup>th</sup> July 2021
Redemption Amount	Rs.10,00,000 each
Redemption Premium	Rs. 2,78,745 each
Issue Price	Rs.10,00,000 each
Face Value	Rs.10,00,000 each
Issue Opening Date	24 <sup>th</sup> July 2018
Issue Closing Date	24 <sup>th</sup> July 2018
Pay in Date	25 <sup>th</sup> July 2018
Deemed Date of Allotment	25 <sup>th</sup> July 2018
Minimum Application and in multiples of _Debt securities thereafter	1 debenture and in multiples of 1 debenture thereafter
Default Interest Rate	<b>2% p.a over the coupon rate for the default amount for the duration of default</b>
Interest on Application Money	Interest on application money will be paid to investors at Coupon/YTM from the date of realization of subscription money upto one day prior to the Deemed Date of Allotment. Such interest shall be payable within fifteen business days from the Deemed Date of Allotment.

Discount at which security is issued and the effective yield as a result of such discount.	<b>N.A</b>
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	<b>RTGS/NEFT/Fund Transfer</b>
Depository	<b>NSDL/CDSL</b>
Business Day Convention	If any interest payment date is not a Business Day in Mumbai, interest will be payable on the next Business Day in Mumbai which shall be the interest payment date. If any principal payment date is not a Business Day in Mumbai, principal will be payable on the previous Business Day in Mumbai which shall be the principal payment date.  Business Day means a day which is not a Saturday, Sunday or a public holiday and on a day when there is RTGS/ NEFT/ ECS clearing facility in Mumbai.
Record Date	The record date will be 15 days prior to each interest payment / principal repayment date
Security	As disclosed in the disclosure document.
Transaction Documents	Term Sheet Rating Letter Trustee Consent Application Form
Conditions Precedent to Disbursement	N.A
Condition Subsequent to Disbursement	N.A
Events of Default	As per Debenture Trust Deed
Provisions related to Cross Default Clause	N.A
Role and Responsibilities of Debenture Trustee	As defined in the debenture trust deed
Governing Law and Jurisdiction	Laws of India subject to jurisdiction of Mumbai courts

**ANNEXURE B**

**REMUNERATION OF DIRECTORS (DURING THE CURRENT YEAR AND LAST THREE FINANCIAL YEARS)**

FY 2017-18	Rs. 1,68,89,920/-
FY 2016-17	Rs. 1,45,33,609/-
FY 2015-16	Rs. 11,128,033/-

**ANNEXURE C**

**RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST THREE FINANCIAL YEARS**

(Refer to Audited Financial statements of Financial Year 2015-16, 2016-17 and 2017-18)



**ANNEXURE D****Summary of Financial Position of the Company during the Last Three Financial Years****(Rs. In Crs)**

For Financial Entities	FY 18	FY 17	FY 16
	(Audited)	(Audited)	(Audited)
Net worth	1,064.64	876.38	725.49
Total Debt	5,430.22	4266.88	2,626.77
of which –			
- Non Current Maturities of Long Term Borrowing	1,405.94	645.00	655.45
- Short Term Borrowings	3,684.27	3421.48	1,946.31
- Current Maturities of long Term Borrowings	340.00	200.40	25.00
Net Fixed Assets	3.44	2.63	1.85
Non-Current Assets	2,140.32	2209.48	1148.22
Cash and Cash Equivalents	2.13	5.65	0.15
Current Investments	-	280.00	53.23
Current Assets	4,530.62	2218.35	2164.60
Current Liabilities (including provisions)	144.78	56.32	14.62
Assets Under Management	6,623.79	4392.00	3103.62
Off Balance Sheet Assets	-	-	-
Interest Income	607.22	448.71	325.24
Interest Expense	360.51	291.00	179.21
Provisioning & Write-offs	9.33	4.55	7.18
Profit before tax	320.52	253.31	169.90
Provision for tax	111.17	88.04	59.13
Profit after tax (PAT)	209.35	165.26	110.77
Gross NPA (%)	-	-	-
Net NPA (%)	-	-	-
Tier I Capital Adequacy Ratio (%)	15.84%	18.52%	21.43
Tier II Capital Adequacy Ratio (%)	7.92%	4.63%	0.38

**Balance Sheet****(Rs. In Crs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	(Audited)	(Audited)	(Audited)
EQUITY AND LIABILITIES			-
Shareholders' fund			-
Share capital	480.75	418.25	368.25
Reserves and surplus	583.89	458.12	357.24
<b>TOTAL</b>	<b>1,064.64</b>	<b>876.38</b>	<b>725.49</b>
NON CURRENT LIABILITIES			
Long term borrowings	1,405.94	645	620.48
Other long term liabilities	28.09	67.59	34.98
Long term provisions	8.78	8.4	3.91
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>1,442.82</b>	<b>720.99</b>	<b>659.36</b>
CURRENT LIABILITIES			
Short term borrowings	3,684.27	3421.48	1943.56
Trade Payable			-
Other current liabilities	460.67	242.75	29.32
Short term provisions	24.11	13.96	10.31
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,169.06</b>	<b>3678.2</b>	<b>1983.19</b>
<b>TOTAL LIABILITIES</b>	<b>6,676.51</b>	<b>5275.56</b>	<b>3368.04</b>
ASSETS			
Non-current assets			
Fixed assets	3.44	2.63	1.85
Deferred tax asset	9.04	5.85	4.3
Non-current investments	-	100	187.95
Long term loans and advances			
a. Loans	2,112.78	2092.71	950.06
b. Others	17.09	9.76	3.86
Other non current assets	1.42		2.05
<b>TOTAL</b>	<b>2,143.76</b>	<b>2212.11</b>	<b>1150.07</b>
Current assets			
Current Investments	-	280	53.23

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	(Audited)	(Audited)	(Audited)
Trade receivables	8.87	4.23	
Cash and bank balances	2.13	5.65	0.15
Short-term loans and advances			
a. Loans	4,511.01	2199.28	2153.56
b. Others	0.52	0.6	0.42
Other current assets	10.12	14.24	10.63
<b>TOTAL</b>	4,532.75	3063.45	2217.98
<b>TOTAL ASSET</b>	<b>6,676.51</b>	<b>5275.56</b>	<b>3368.04</b>

**Profit and Loss statement****(Rs. In Crs)**

Particulars		For the year ended	For the year ended	For the year ended
		31-Mar-18	31-Mar-17	31-Mar-16
Income				
Revenue from operation		721.50	575.4	372.99
Other income		-	0.003	-
Total income	(A)	721.50	575.4	372.99
Expenses				
Employee benefit expense		14.93	12.42	8.07
Financial costs		364.27	295.11	181.22
Provisions and write off		9.33	4.55	7.19
Other expenses		11.70	9.48	6.34
Depreciation and amortization expense		0.75	0.53	0.28
Total expenses	(B)	400.98	322.09	203.09
Profit before tax	(C) = (A) - (B)	320.52	253.31	169.9
Tax expenses:				
Current tax pertaining to profit/(loss) for the current year		114.35	89.59	61.62
Current tax pertaining to profit/(loss) for earlier years		-	-	-
Deferred tax		(3.18)	(1.55)	(2.49)
Profit for the year/period		209.35	165.26	110.77

## ANNEXURE E

### AUDITED CASH FLOW STATEMENT FOR THE THREE IMMEDIATELY PRECEDING YEARS

	<i>(Amt in Rs.)</i>		
	For the Period ending Mar 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>A. Cash flow from operating activities</b>			
Profit before tax	320,51,91,984	2,53,30,53,837	1,69,89,89,083
Adjustments for:			
Depreciation	74,63,465	52,51,854	27,61,554
Profit on sale of investment	(21,55,90,587)	(43,70,84,301)	-
Provision against standard assets	9,33,39,702	4,54,95,277	7,18,52,459
Amortization of debenture premium	-	-	-
Interest on debentures	(6,18,08,219)	(56,53,345)	-
Operating profit before working capital changes	3,02,85,96,345	2,14,10,63,323	1,77,36,03,096
Movement in working capital:			
Decrease/(increase) in long term loan & advances	(20,25,60,121)	(11,42,65,51,704)	(2,07,97,79,275)
Decrease/(increase) in short term loan & advances	(23,11,64,36,638)	(45,91,07,483)	(8,00,38,82,732)
Decrease/(increase) in trade receivables	(4,74,52,362)	(4,22,92,284)	3,07,75,120
Decrease/(increase) in other current assets	4,12,62,280	(3,61,15,776)	(8,39,79,137)
Decrease/(increase) in other non-current assets	(25,87,578)	89,53,315	(1,28,85,313)
Increase/(decrease) in short term provisions	89,20,741	3,67,13,633	48,95,016
Increase/(decrease) in other current liabilities	38,82,25,210	2,46,04,51,154	(52,56,82,698)
Increase/(decrease) in Long term provisions	30,06,400	(7,64,677)	10,63,458
Cash generated from operations	(19,89,90,25,723)	(7,31,76,50,499)	(8,89,58,72,466)
Income tax paid	(1,21,48,78,383)	(96,14,69,755)	(62,71,33,689)
Net cash flow from operating activities (A)	(21,11,39,04,106)	(8,27,91,20,254)	(9,52,30,06,155)
<b>B. Cash flow from investing activities</b>			
Interest received on NCD	6,18,08,220	56,53,345	-
Purchase of fixed assets	(68,10,698)	(28,12,927)	(29,27,681)
Payment for Intangibles	(87,36,230)	(1,02,63,273)	(80,67,008)

	(Amt in Rs.)		
	For the Period ending Mar 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Maturity of bank deposits	-	-	-
Proceeds from sale of investment	(488,45,30,05,080 )	10,47,04,71,56,442	2,11,16,20,09,222
Deposit withdrawal	-	65,00,000	-
Purchase of investment	(484,43,74,14,492 )	(10,47,99,83,15,28 0)	(2,00,03,45,89,01 1)
Net cash flow from investing activities(B)	4,06,18,51,880	(95,20,81,692)	11,11,64,25,523
<b>C. Cash flow from financing activities</b>			
Proceeds from borrowings (net of repayment)	11,63,33,82,086	15,02,43,70,496	(1,94,10,88,217)
Proceed from issue of shares (net of issue expenses)	1,24,87,50,000	99,90,00,000	99,90,00,000
payment of dividend	(1,45,96,76,484)	(1,14,27,08,601)	(75,34,68,960)
Net cash flow from financing activities(C)	11,42,24,55,602	14,88,06,61,895	(1,69,55,57,177)
Net increase/(decrease) in cash and equivalents(A+B+C)	(5,62,95,96,623)	5,64,94,59,949	(10,21,37,810)
Cash and cash equivalents at the beginning of the year	5,65,09,17,425	14,57,477	10,35,95,287
Cash and cash equivalents at the end of the year	2,13,20,801	5,65,09,17,426	14,57,477
Note:	Mar 31, 2018	Mar 31, 2017	March 31, 2016
Cash and cash equivalents includes:			
Cash	5,192	13,271	970
Balance with banks	2,13,15,609	5,65,09,04,154	14,56,507

**ANNEXURE F - CERTIFIED COPY OF THE BOARD RESOLUTION**



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON APRIL 16, 2018**

**"RESOLVED THAT** in supersession to the earlier resolution passed by the Board of Directors at its meeting held on March 07, 2018 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and subject to approval of the Members at the ensuing General Meeting and the provisions of the Master Direction for Non-Banking Financial Company issued by the RBI from time to time (including maintenance of CRAR, as stipulated) and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules framed thereunder, the Board or Committee of Directors be and are hereby authorized 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, or otherwise 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 Rs. 15,000 Crores (Rupees fifteen thousand crores only)."

**"FURTHER RESOLVED THAT** Mr. Bipin Kumar Saraf (DIN: 06416744), Managing Director and Chief Executive Officer and / or Mr. Rajneesh Kumar, Company Secretary and / or Mr. Amith Iyer, Chief Financial Officer be and are hereby jointly and / or severally authorized to take such steps and actions as may be required, including filing necessary form with the Registrar of Companies, Maharashtra, Mumbai, for giving effect to this Resolution."

**"FURTHER RESOLVED THAT** the certified true copy of the above resolution be forwarded to the concerned bank(s)/financial institution(s)/trustee(s) etc under the signature of the Company Secretary or any of the Director(s) of the Company."

**For Axis Finance Limited**

  
**Rajneesh Kumar**  
**Company Secretary**  
**M. No. A 31230**  
Add: Axis House,  
Wadia International Centre,  
P.B. Marg, Worli, Mumbai

**ANNEXURE G - CERTIFIED COPY OF THE SHAREHOLDERS' RESOLUTION**



**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 23<sup>RD</sup> ANNUAL GENERAL MEETING OF MEMBERS OF AXIS FINANCE LIMITED HELD ON 10.07.2018**

---

**"RESOLVED THAT** in supersession of Special Resolution passed at the 22<sup>nd</sup> Annual General Meeting held on July 13, 2017 and pursuant to provisions of Section 180 (1)(c) 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 statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Master Direction for Non-Banking Financial Company issued by the RBI from time to time (including maintenance of CRAR, as stipulated) and the relevant provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors or Committee of the Board (hereinafter both the Board of Directors and / or the Committee of the Board is referred to as the "Board") to borrow such sums of money 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 or otherwise 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 and its Free Reserves, that is to say, reserves not set apart for any specific purpose and securities premium, subject to the condition that the 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 Rs. 15,000 Crores (Rupees Fifteen Thousand Crores only)."

**"FURTHER RESOLVED THAT** Mr. Bipin Kumar Saraf (DIN: 06416744) – Managing Director & CEO, Mr. Kishore Babu Manda - COO, Mr. Rajneesh Kumar- Company Secretary and Mr. Amith Iyer – CFO be and are hereby jointly and/ or severally authorised to sign, execute and deliver all the documents as may be necessary for the proper availing of the said facility and as may be required by the banks/lender and further to furnish, sign, execute and deliver such indemnities and/or declarations and/or affidavits on behalf of the Company in favour of the Bank/lenders as may be required by the Bank/lenders in any matter related hereto and generally to do all such acts and deeds as may be necessary for the availing the said financial facility and for all matters connected therewith and/or incidental thereto.

**For AXIS FINANCE LIMITED**

A handwritten signature in black ink, appearing to read 'Rajneesh Kumar'.

**(RAJNEESH KUMAR)**

**Company Secretary**

**ACS 31230**

**Address: Axis House, Gr. Floor,  
Wadia International Centre, Worli,  
Mumbai 400 025**

**AXIS FINANCE LIMITED**

Regd. Office : Axis House, C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.  
Tel: 022 - 2425 2525 ; Fax: 022 - 4325 5732 ; Email: [info@axisfinance.in](mailto:info@axisfinance.in) ; Website: [www.axisfinance.co.in](http://www.axisfinance.co.in) ; CIN: U65921MH1995PLC212675





**CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

---

**Item No.6 & 7**

As per Section 180(1)(c) of the Companies Act, 2013 (the Act), the Board of Directors of a company cannot, except with the consent of the company in general meeting by a special Resolution, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company.

At the 22<sup>nd</sup> AGM held on 13.07.2017, the Members had authorized the Board to borrow money not exceeding Rs. 18,200 crores. However, as per the Supervisory observations and in terms of the prudential norms laid down by the Reserve Bank of India, a need was being felt to align the overall borrowing limits with the funding requirements of the Company. Hence, consent of the Members is sought by way of a Special Resolution in accordance with the provisions of Section 180(1)(c) of the Act to enable the Board to borrow monies provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 15,000 crores. The special Resolution under Item No. 6 is to obtain the consent of the Members for this purpose.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/mortgage/hypothecation on the Company's assets in favour of the lenders/holders of securities/trustees for the holders of the said securities as mentioned in the Resolution at Item No. 7. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a special resolution under Section 180(1)(a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding Rs.15,000 crores.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, financially or otherwise, concerned or interested in the Resolution at Item No. 6 and 7.

**For AXIS FINANCE LIMITED**

A handwritten signature in black ink, appearing to read 'Rajneesh Kumar'.

**(RAJNEESH KUMAR)**  
**Company Secretary**  
**ACS 31230**  
**Address: Axis House, Gr. Floor,**  
**Wadia International Centre, Worli,**  
**Mumbai 400 025**

**AXIS FINANCE LIMITED**

Regd. Office : Axis House, C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.  
Tel: 022 - 2425 2525 ; Fax: 022 - 4325 5732 ; Email: [info@axisfinance.in](mailto:info@axisfinance.in) ; Website: [www.axisfinance.co.in](http://www.axisfinance.co.in) ; CIN: U65921MH1995PLC212675

## CATALYST

Believe in yourself... Trust us!

March 09, 2018



To,  
**Mr. Amith Iyer**  
CFO  
**Axis Finance Limited**  
Ground floor, Axis House,  
C-2 Wadia International Centre,  
P.B. Marg, Worli,  
Mumbai – 400 025

Dear Sir,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non- Convertible Debentures aggregating upto Rs. 1000 Crores to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable non-convertible debentures aggregating upto Rs. 1000 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

**For Catalyst Trusteeship Limited**

**Authorized Signatory**

**We Accept the above terms  
For Axis Finance Limited**

**Authorized Signatory**

CATALYST TRUSTEESHIP LIMITED (A PRIVATE LIMITED COMPANY)  
Mumbai Office: Office No. 83 - 87, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400 021. Tel: +91 (022) 4922 0555 Fax: +91 (022) 4922 0505  
Regd. Office: CDA House, Plot No. 85, Bhamburda Colony (Right), Paud Road, Pune 411 058. Tel: +91 (020) 25260081 Fax: +91 (020) 25260275  
Delhi Office: Office No. 213, 2nd floor, Navrang House, 21 Kasturba Gandhi Marg, New Delhi- 110 001. Tel: 011 43029101.  
CIN No. U74999PN297PLC110262 Email: dts@trustees.com Website: www.catalysttrustee.com  
Pune | Mumbai | Bengaluru | Delhi | Chennai

As ISO:9001 Company



20<sup>th</sup> July, 2018

**Private & Confidential**  
**For Private Circulation Only**

**IndiaRatings**  
& Research

**Fitch** Group

Mr. Bipin Saraf  
Managing Director  
Axis Finance Limited  
1<sup>st</sup> Floor, Axis House  
Wadia International Center,  
PB Marg Worli,  
Mumbai - 400025

June 13, 2018

Dear Mr. Saraf,

**Re: Ratings of Axis Finance Limited's (AFL) long-term non-convertible debentures.**

India Ratings (see definition below) communicates the following instrument ratings of AFL:-

INR 17.146bn long-term non-convertible debentures (NCDs): 'IND AAA'/Outlook Stable.

Out of the above rated amount the Company has already raised INR6.075bn of NCDs.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always

**India Ratings & Research Private Limited** A Fitch Group Company

Nockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | [www.indiaratings.co.in](http://www.indiaratings.co.in)



**India Ratings  
& Research****Fitch Group**

consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Notwithstanding the above, ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

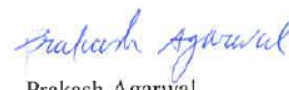
We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

Sincerely,

India Ratings



Sandeep Singh  
Senior Director



Prakash Agarwal  
Director