

Security Name	<b>6.30% SECURED NCD, Axis Finance Limited, 2025</b>
Issuer	<b>Axis Finance Limited. ("AFL" or the "Company" or the "Issuer")</b>
Type of Instrument	Fully paid Secured Redeemable Non-Convertible Debentures.
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Debenture Trustee	Catalyst Trusteeship Limited
Eligible Investors/ Eligible Participants	<p>a) Qualified Institutional Buyers (QIBs), as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and</p> <p>b) Any non-QIB investor including arranger(s), who are eligible to participate in the issue through an Electronic Book Mechanism of BSE (BSE BOND – EBP).</p>
Listing (including the name of the stock exchange where it will be listed and timeline for listing)	<p>The NCDs will be listed on the Wholesale Debt Market Segment (WDM) of the BSE Ltd (BSE).</p> <p>The Issuer proposes to list these Debentures on the BSE Limited. The Issuer confirms that the Debentures would be listed within 4 (four) Trading days from the Closure of Issue. Delay in Listing: In case of delay in listing of the debt securities the Company shall pay penal interest of 1 % p.a. over the coupon rate.</p>
Credit Rating	<p>'CRISIL AAA/Stable' issued by CRISIL Ratings Limited vide letter dated 18.02.2022</p> <p>'IND AAA'/Outlook: Stable' issued by India Ratings and Research Private Limited vide their letter dated 18.02.2022</p>
Issue Size	Total issue size of Rs. 500,00,00,000.00 (Rupees Five Hundred Crores) including in aggregate Base issue of up to Rs. 100,00,00,000 (Rupees One Hundred Crores only) and green shoe option of up to Rs. 400,00,00,000 (Rupees Four Hundred Crores)
Minimum Subscription	Rs. 1 Crore and in multiples of Rs. 10 Lakhs thereafter
Option to retain oversubscriptions	As mentioned in the Green shoe section (up to Rs. 400 Crs.)
Objects of the Issue	<p>The object of the Issue is to augment long-term resources of the Company in its line of business for onward lending eligible for Bank finance as per RBI Guidelines and business operations including for capital expenditure, working capital requirements, etc. Further no part of the proceeds would be utilized directly / indirectly towards equity capital markets or land acquisition or usages as restricted under bank finance.</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>

	<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, CBLO (TREPS) deposits with banks or temporarily deploy the funds in investment grade interest bearing securities.	
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	N.A.	
Details of utilisation of Issue Proceeds	The funds will be utilized for the objects of the issue.	
Series	<b>AFL 15 /2021-22</b>	
Base Issue	Rs. 100.00 crores	
Green Shoe	Rs. 400.00 crores	
Issue Size	In aggregate Base issue of up to Rs. 100,00,00,000 (Rupees One Hundred Crores only) and green shoe option of up to Rs. 400,00,00,000 (Rupees Four Hundred Crores)	
Coupon Rate	6.30% p.a.	
Step Up/Step Down Coupon Rate	N.A.	
Coupon Payment Frequency	Annually	
Coupon payment dates	Monday, 27 February, 2023	
	Monday, 26 February, 2024	
	Tuesday, 25 February, 2025	
(Cumulative / non-cumulative, in case of dividend	N.A.	
Coupon Type	Fixed	
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	N.A.	
Day Count Basis	Actual/Actual	
Interest on Application Money	Interest on application money will be paid to investors at Coupon/ Yield to maturity (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 15 (fifteen) business days from the Deemed Date of Allotment.	
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate shall be payable by the Issuer for the defaulting period.	
Tenor	3 years	
Redemption Date	25 <sup>th</sup> February 2025	
Redemption Amount	Rs.10,00,000/- each	

Redemption Premium	Nil
Issue Price	At par, Rs.10,00,000/- per NCD
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call option Price	N.A.
Conditions for exercising the Call Option / Put Option	N.A.
Put Notification time	N.A.
Call Notification time	N.A.
Face Value	Rs.10,00,000/- each (Rs. Ten lakhs each)
Minimum Application (Minimum Bid Lot) and in multiples of _Debt securities thereafter	The minimum Application shall be Rs.1,00,00,000.00 (Rupees One Crore – 10 NCDs) and in multiple of Rs.10,00,000.00 (Rupees Ten Lakhs – 1 NCD) thereafter
Issue Timing	11.30 AM to 12.30 PM
Issue Opening Date/Bid Opening Date	24 <sup>th</sup> February, 2022
Issue Closing Date/Bid Closing Date	24 <sup>th</sup> February, 2022
Date of earliest closing of the issue, if any.	24 <sup>th</sup> February, 2022
Pay in Date	25 <sup>th</sup> February, 2022
Deemed Date of Allotment	25 <sup>th</sup> February, 2022
Settlement mode of the Instrument	RTGS/NEFT/Fund Transfer
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Disclosure of Interest/Dividend / redemption dates	As per above mentioned.
Record Date	The record date will be 15 (fifteen) days prior to each interest payment / principal repayment date
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As per Placement memorandum (PM) / Debenture Trust Deed (DTD) and applicable Regulations.
Security- [Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture	Hypothecation in favour of the Debenture Trustee (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 Issuers trade or business; and benefits rights and remedies of the Issuer under or arising from all guarantees, bills of exchange, promissory notes

holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.]	<p>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.</p> <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 1.10 times or higher of the Secured obligations is maintained.</p> <p>The Company hereby undertakes that the receivables on which charge has been created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create further security interest by way of pari-passu charge on the assets of the Company has been obtained from the existing creditor(s) and charge holders.</p> <p>The Debenture Trustee has agreed to carry out due diligence of the Security in accordance with the SEBI Regulations.</p>
Security	As disclosed in the disclosure document.
Transaction Documents	<ol style="list-style-type: none"> <li>1. Debenture Trustee Appointment Agreement;</li> <li>2. Placement Memorandum;</li> <li>3. Debenture Trust Deed</li> <li>4. Security documents;</li> <li>5. Term Sheet;</li> <li>6. Rating Letter;</li> <li>7. Trustee Consent Letter;</li> <li>8. Application Form; and</li> <li>9. Any other document related to the transaction that may be designated as a 'Transaction Document' by the debenture trustee.</li> </ol>
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> <li>1. The Issuer has obtained in-principle approval of the stock exchange for listing of Debentures</li> <li>2. Execution of Debenture Trustee Agreement and the Debenture Trust Deed;</li> <li>3. Such other undertaking as may be required from the Company.</li> </ol>
Condition Subsequent to Disbursement	<ol style="list-style-type: none"> <li>1. Filing of the relevant documents inter alia, return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013.</li> <li>2. Completion of the listing of Debentures on BSE within 4 (four) Trading days from the Closure of Issue.</li> <li>3. Filing of the relevant form with the Registrar of Companies for the registration of charge over the Hypothecated assets</li> </ol>

	<p>within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation.</p> <p>4. Execution of any other documents as customary for transaction of a similar nature and size.</p>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	As per the Debenture Trust Deed
Creation of Recovery Expense Fund	<p>The Company has set up a Recovery Expense Fund by duly depositing a sum of Rs. 25,00,000 (Rupees Twenty-Five Lakhs Only) in account number BSEALF10819 maintained with HDFC Bank Ltd, Fort Branch in favour of BSE on March 1, 2021.</p> <p>The Company agrees and undertakes to deposit with BSE such additional amount as may be required as per the provisions of the Act and the guidelines and circulars issued and notified by the SEBI from time to time.</p>
Conditions of breach of Covenants (As specified in Debenture Trust Deed)	As per PM / DTD and applicable Regulations
Provisions related to Cross Default Clause	N.A.
Role and Responsibilities of Debenture Trustee	As defined in the Debenture Trust Deed
Risk factors pertaining to the Issue	Refer Section - Management's Perception Of Risk Factors as mentioned in the Information Memorandum
Manner of bidding in the issue	Closed Bidding
Manner of allotment in the issue	Uniform yield allotment
Manner of settlement in the issue	Through Indian Clearing Corporation Limited (ICCL)
Settlement cycle	T+1
Lock-In Clause	N.A.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Arranger to the issue	N.A.
Business Day Convention	<p>If the date of payment of interest does not fall on a Working Day in Mumbai, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.</p> <p>In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day in Mumbai, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.</p>

	<p>Working Day means a day which is not a Saturday, Sunday or a public holiday and on a day when there is no RTGS/ NEFT/ ECS clearing facility in Mumbai.</p> <p>(Refer SEBI Circular –CIR/IMD/DF-1/122/2016 dated November 11, 2016)</p>
Right to Re-purchase Debentures	The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets at Fair Market Value or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations
Voting / conditions of joining Inter Creditor Agreement in the Event of Default	As per PM / DTD and applicable Regulations
Delay in Listing	In case of delay in listing of the debt securities beyond 4 (Four) Trading days from the closure of the issue, the Company shall pay penal interest of atleast @ 1 % p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing)
Delay in creation of charge	<p>Before making the application for listing of debt securities, the Issuer shall create charge as specified in the Offer Document (OD) or Private Placement Memorandum (PPM)/ PM, in favour of the debenture trustee and also execute Debenture Trust Deed (DTD) with the debenture trustee.</p> <p>The Stock Exchange(s) shall list the debt securities only upon receipt of a due diligence certificate as per format specified in SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 from debenture trustee confirming creation of charge and execution of the DTD.</p> <p>The charge including execution of Deed of Hypothecation and / or such other charge creation document/s will be created by the Issuer prior to the listing and shall be registered with Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer.</p> <p>The Company is in the process of execution of Debenture Trust Deed and the security documents with the debenture trustee. Where the Issuer fails to execute the security documents within the period specified, the Issuer shall without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the Company shall also pay interest of at least 2% (two percent) per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the security document.</p>
Delay in execution of Debenture Trust Deed	The Issuer and the Debenture Trustee shall execute the Trust Deed within such timelines as may be specified by the Board.

	<p>Where an Issuer fails to execute the Trust Deed within the period specified, without prejudice to any liability arising on account of violation of the provisions of the Companies Act, 2013 and SEBI (Issue and Listing of Non-Convertible Securities), 2021, the Issuer shall also pay interest of at least 2% (two percent) per annum or such other rate, as specified by the Board to the holder of debt securities, over and above the agreed Coupon Rate, till the execution of the Trust Deed</p>
<p>Disclosure in terms of SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020</p>	<p>"Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.";</p> <p><b><i>Terms and conditions of Debenture trustee agreement including fees charged by Debenture Trustee</i></b></p> <p>The Company will be executing the Debenture Trustee Appointment Agreement (DTAA) and the Debenture Trustee Deed (DTD) before issue opening date.</p> <p>Service charges of Debenture Trustee As mentioned in their consent letter bearing reference no. CL/MUM/21-22/DEB/1034 dated 18<sup>th</sup> February, 2022.</p> <p>Process of Due Diligence carried out by Debenture Trustee-As per following:</p> <p><b><i>Due diligence certificate</i></b></p> <p>Due diligence certificate as per the format specified in Schedule IV of the SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021 and Annexure A of the SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 has been appended to the PM and will be submitted to BSE Limited along with the draft PM</p> <p><b><i>Process of Due Diligence carried out by the Debenture Trustee</i></b></p> <p>Due Diligence (<b>DD</b>) will be carried out as per DT regulations and circulars issued by SEBI from time to time, which broadly includes following:</p> <ul style="list-style-type: none"> <li>• Practicing Chartered Accountant (<b>CA</b>) / firm of CA appointed by DT will undertake independent DD at the Debenture Trustee's behest as per scope provided, regarding Security given for the issue by the Company.</li> <li>• CA will verify and ensure that the asset provided by the issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.</li> <li>• CA will be doing independent DD as per information provided by the Issuer company.</li> <li>• Periodical DD will be carried out as per SEBI circulars from time to time as per nature of security provided.</li> </ul>

	<ul style="list-style-type: none"> <li>Necessary DD certificate will be issued and will be available on Stock Exchanges from time to time for information of Debenture Holders.</li> <li>As mentioned in the PM even though debt securities are secured to the extent of 110% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favor of Debenture Trustee, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.</li> </ul> <p>DD will be carried out for maintenance of security cover depending on information provided by the issuer company and CA appointed by DT or DT himself will not be responsible for misinformation provided by issuer company.</p>
RBI Guidelines	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.
Governing Law and Jurisdiction	Laws of India subject to jurisdiction of Mumbai courts

#### Cash Flow – NCD Series 'AFL 15/2021-22'

Cash Flow - NCD Series APL 10/2021-22		
Company	Axis Finance Limited	
Security Name	6.30% SECURED NCD, Axis Finance Limited, 2025	
Face Value (per security) (in Rs.)	Rs.10,00,000/- (Rupees Ten Lakhs only) per Debenture	
Issue Date / Deemed Date of Allotment	25 <sup>th</sup> February, 2022	
Redemption Date	25 <sup>th</sup> February, 2025	
Coupon Rate	6.30% p.a.	
Coupon payment dates	Monday, 27 February, 2023	
	Monday, 26 February, 2024	
	Tuesday, 25 February, 2025	
Frequency of Interest payment with specified date	1st Coupon Payable on 27 <sup>th</sup> February 2023 & Annually thereafter for 2 more years	
Day count Convention	Actual / Actual	



**Cash Flow in respect of Debenture of face value Rs.10 Lakhs:**

Pay out details	Coupon Due Date	Settlement Date	Days in Coupon period	Coupon payment per Rs. 10 Lakhs	Total cash flow (in Rs.)
Principal Pay in		Friday, 25 February, 2022			-10,00,000
1 <sup>st</sup> Coupon	Saturday, 25 February, 2023	Monday, 27 February, 2023	365	63,000.00	63,000.00
2 <sup>nd</sup> Coupon	Sunday, 25 February, 2024	Monday, 26 February, 2024	365	63,000.00	63,000.00
3 <sup>rd</sup> Coupon	Tuesday, 25 February, 2025	Tuesday, 25 February, 2025	366	63,000.00	63,000.00
Principal Payout		Tuesday, 25 February, 2025			10,00,000

**Notes-**

- (1) If the coupon payment date of the Debentures falls on a Saturday or a Sunday or a holiday, the coupon payment shall be made on the next working day. In order to ensure consistency, a uniform methodology shall be followed for calculation of interest/ dividend payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.
- (2) If the date of payment of interest does not fall on a Working Day in Mumbai, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date.

Thanking you.

For **AXIS FINANCE LIMITED**

**Mr. Amith Iyer**  
**CFO & Head-Treasury**  
**Date: 22.02.2022**