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****Independent Auditors' Report****

To: The Members of Axis Finance Limited

****Report on the Audit of the Ind AS Financial Statements****

****Opinion****

1. We have audited the accompanying financial statements of Axis Finance Limited ("the Company"), which comprise:

- Balance Sheet as at March 31, 2025
- Statement of Profit and Loss (including Other Comprehensive Income)
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the financial statements

2. The financial statements give a true and fair view in conformity with Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

****Basis for Opinion****

3. The audit was conducted in accordance with Standards on Auditing (SAs). We are independent of the Company and have fulfilled our ethical responsibilities.

****Key Audit Matters****

4. Key audit matters addressed:

- ****Allowance for Expected Credit Loss (ECL) on Loans****
 - Carrying value of loan assets: ₹36,75,276 lakhs (net of allowance of ₹53,919 lakhs).
 - Audit approach included evaluating accounting policies, testing controls, and assessing ECL model assumptions.
- ****Information Technology (IT) System and Controls****
 - Focus on IT general and application controls, user access management, and segregation of duties.

****Balance Sheet as at March 31, 2025****

(All amounts in ₹ lakhs)

****ASSETS****

- Financial Assets

- Cash and cash equivalents: 80,125.41 (2024: 60,703.63)
- Receivables: 39.83 (2024: 759.27)

- Loans (net of ECL): 36,75,276.37 (2024: 30,35,677.49)
- Investments: 1,53,413.06 (2024: 1,54,816.28)
- Other financial assets: 19,240.75 (2024: 17,368.69)
- **Total Financial Assets: 39,28,095.42 (2024: 32,69,325.86)**

- Non-Financial Assets

- Property, plant and equipment: 1,158.57 (2024: 813.28)
- Intangible assets: 1,774.41 (2024: 1,391.34)
- Right-of-use assets: 1,349.96 (2024: 2,113.36)
- **Total Non-Financial Assets: 23,591.22 (2024: 20,883.62)**

Total Assets: 39,51,686.64 (2024: 32,90,208.98)

****LIABILITIES AND EQUITY****

- Financial Liabilities

- Payables: 4,080.92 (2024: 4,491.89)
- Debt securities: 12,66,822.84 (2024: 12,09,669.26)
- Borrowings: 17,971.70 (2024: 13,40,752.19)
- **Total Liabilities: 34,21,279.27 (2024: 28,83,344.47)**

- Equity

- Equity share capital: 69,357.05 (2024: 62,706.38)
- Other equity: 4,61,050.32 (2024: 3,44,156.13)
- **Total Equity: 5,30,407.37 (2024: 4,06,864.51)**

Total Liabilities and Equity: 39,51,686.64 (2024: 32,90,208.98)

****Statement of Profit and Loss for the Year Ended March 31, 2025****

(All amounts in ₹ lakhs)

- Revenue from operations: 4,09,379.09 (2024: 3,15,282.23)
- Other income: 684.42 (2024: 131.12)
- **Total Income: 4,10,063.51 (2024: 3,15,413.35)**
- Expenses
 - Finance costs: 2,43,574.42 (2024: 1,82,973.07)
 - Impairment on financial instruments: 32,315.27 (2024: 15,402.05)
 - Employee benefits: 27,422.47 (2024: 24,518.13)
 - **Total Expenses: 3,03,312.16 (2024: 2,22,893.25)**
- **Profit Before Tax: 1,06,751.35 (2024: 92,520.10)**
- Tax Expense: 26,077.74 (2024: 21,994.68)

- **Profit After Tax: 80,673.61 (2024: 70,525.42)**

Key Notes to Financial Statements

1. **Corporate Information**:

- Axis Finance Limited is a public company incorporated in India, primarily engaged in lending activities.

- Registered office: Ground floor, Axis House, C-2 Wadia International Centre, Mumbai.

2. **Material Accounting Policies**:

- **Revenue Recognition**: Interest income recognized using Effective Interest Rate (EIR) method.

- **Impairment of Financial Assets**: Expected Credit Loss (ECL) model applied for loans and investments.

- **Property, Plant, and Equipment**: Depreciated using straight-line method over useful lives.

3. **Audit Findings**:

- No material misstatements or fraud detected.

- IT controls and ECL calculations were key focus areas.

Annexures

- Annexure A: Compliance with legal and regulatory requirements.

- Annexure B: Report on internal financial controls.

Signatures

For B.K. Khare & Co.

Shirish Rahalkar, Partner

For G.M. Kapadia & Co.

Rajen Ashar, Partner

Place: Mumbai

Date: April 17, 2025

This `.txt` version maintains structure with clear headings, bullet points, and tabular data simplified for plain text. Let me know if you'd like any adjustments!