AXIS BANK

AXIS BANK LIMITED

(Incorporated on 3rd December, 1993 under the Companies Act, 1956)
CIN : L65110GJ1993PLC020769

Registered Office: "Trishul", Third Floor, Opp. Samartheshwar Temple,
Law Garden, Ellisbridge, Ahmedabad – 380 006.
Tel No. 079 - 66306161, Fax No. 079 - 26409321
Website: www.axisbank.com

Corporate Office: 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025.
Contact Person: Mr. Girish Koliyote, Senior Vice-President & Company Secretary
Email address: girish.koliyote@axisbank.com

DISCLOSURE DOCUMENT

PRIVATE PLACEMENT OF SENIOR UNSECURED REDEEMABLE NON CONVERTIBLE DEBENTURES (SERIES - 4) OF RS.10 LAKH EACH FOR CASH AT PAR WITH BASE ISSUE SIZE OF RS. 1000 CRORE (ONE THOUSAND CRORE) AND GREENSHOE OPTION TO RETAIN OVERSUBSCRIPTION OF RS. 2000 CRORE (TWO THOUSAND CRORE) THEREBY AGGREGATING UPTO RS. 3000 CRORE (RUPEES THREE THOUSAND CRORE ONLY)

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains information with regard to the Issuer and the issue, which is material in the context of the issue, that the information contained in the Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The said Unsecured Redeemable Non-Convertible Senior Debentures are proposed to be listed on the National Stock Exchange of India Limited (NSE) and The BSE Limited (BSE).

CREDIT RATING

CRISIL Limited - "CRISIL AAA/Stable" (pronounced "CRISIL triple A rating with Stable outlook"). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited - "ICRA AAA" (pronounced as ICRA Triple A). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The above ratings are not recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. For details please see the rating letters enclosed with this document as Annexure III.

TRUSTEE FOR THE DEBENTURE HOLDERS	REGISTRAR TO THE ISSUE
SBICAP Trustee Company Ltd. **SBICAP Trustee Company Limited.** Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400 020. Tel No. 91 - 22-43025555 Fax No. 91 - 22-22040465. E-mail: corporate@sbicaptrustee.com	KARVY **Karvy Fintech Private Limited.** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Tel: 1800-345-4001, 91- 040-67162222 Fax: 91- 040-23001153 Email: subrahmanyam.mrv@karvy.com www.karvyfintech.com

Issue/Bid Openning Date	26 December 2018
Issue/Bid Closing Date	26 December 2018
Pay-in Date and Deemed Date of Allotment	28 December 2018

The Bank reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the Bank at its sole and absolute discretion. In the event of any change in the above issue programme, the Bank will intimate the investors about the revised issue programme.

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DEFINITIONS

Articles	Articles of Association of Axis Bank Limited.
ALM	Asset Liability Management.
ALCO	Asset Liability Committee.
AS	Accounting Standard.
Act	The Companies Act, 2013 and the Rules made thereunder as amended from time to time.
Addendum	A statement detailing changes and updations to the Disclosure Document.
Application(s) / Application Form	Application for the subscription to the Unsecured Redeemable Non- Convertible Debentures offered under this Disclosure Document attached as Annexure I
Board	The Board of Directors of the Bank including Committees of the Board.
Banking Regulation Act	The Banking Regulation Act, 1949, as amended from time to time.
CARE	Credit Analysis & Research Limited.
CAR	Capital Adequacy Ratio.
Depository	National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).
Debentures	Senior Unsecured, Redeemable, Non-Convertible Debentures (Series – 4) issued on a private placement basis under this Disclosure Document.
Debenture Holders	The holders of the Debenture issued by Axis Bank Limited, from time to time.
FY/ F.Y.	Financial Year (April – March).
FII'S	Foreign Institutional Investors.
Disclosure Document	This Disclosure Document through which the Debentures are being offered.
Issue / Offer/ Placement	Issue of Unsecured, Redeemable, Non-Convertible Senior Debentures of the face value of Rs.10,00,000/- each
Issuer / The Bank / Axis Bank / Bank	Axis Bank Limited, a public limited company incorporated under the Companies Act, 1956 and a banking company within the meaning of the Banking Regulation Act, 1949.
Memorandum	Memorandum of Association of Axis Bank Limited.
SEBI	Securities and Exchange Board of India constituted under The Securities and Exchange Board of India Act, 1992 (as amended, from time to time).
SEBI Regulation	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendments thereof.
Stock Exchange	BSE Limited (earlier Bombay Stock Exchange Ltd / BSE) and or National Stock Exchange of India Limited.
Term Sheet	The Term Sheet relating to the Issue and allotment of Debentures pursuant to this Disclosure Document, which shall contain the detailed terms and conditions of the issue of such Debentures.
Trustee	Trustee for the Debenture Holders being SBICAP Trustee Company Limited.
Working Day(s)	Any day during which the banks are open in Mumbai.

ABBREVIATIONS

ATM	Automated Teller Machine
AS	Accounting Standard
BSE	The BSE Limited (earlier Bombay Stock Exchange Limited)
MD & CEO	Managing Director & Chief Executive Officer
CASA	Current Account & Saving Account
CRAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Ltd.
CRR	Cash Reserve Ratio
DP	Depository Participant
DRT	Debt Recovery Tribunal
ECS	Electronic Clearing Services
ESOS	Employee Stock Option Schemes of the Bank
EPS	Earning Per Share
FIs	Financial Institutions
FITCH	India Ratings & Research Pvt. Ltd. (formerly Fitch Ratings India Private Limited)
FIIs	Foreign Institutional Investors
FY	Financial Year
GoI	Government of India/Central Government
HUF	Hindu Undivided Family
INR	Indian National Rupee
IM	Information Memorandum
IT	Information Technology
L/C	Letter of Credit
MoF	Ministry of Finance
NBFC	Non Banking Finance Company
NII	Net Interest Income
NPA	Non- Performing Asset
NRE	Non Resident External
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Ltd.
OCBs	Overseas Corporate Bodies
PAN	Permanent Account Number
P/E	Price to Earnings Ratio
RBI	Reserve Bank of India
ROC	Registrar of Companies
RRB	Regional Rural Bank
SCB	Scheduled Commercial Bank
SEBI	The Securities and Exchange Board of India
SLR	Statutory Liquidity Ratio
SSI	Small Scale Industries
TDS	Tax Deducted at Source
The BR Act	The Banking Regulation Act, 1949 as amended
The IT Act	Income Tax Act, 1961 as amended
USD	US Dollar

DISCLAIMER

GENERAL DISCLAIMER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time **(SEBI Regulation)**. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Bank. The document is for the exclusive use of the institutions/companies/provident, pension & gratuity funds/trusts and other eligible investors to whom it is delivered and it should not be circulated or distributed to third party (ies). The Bank certifies that the disclosures made in this document are correct and are in conformity with the captioned SEBI Regulations. This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. The potential investors should consult their own tax advisors on the tax implication relating to acquisition, ownership, sale or redemption of Debentures and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Debentures of the Bank. The Bank or any of its directors, employees, advisors, affiliates subsidiaries or representatives do not accept any responsibility and or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

The District Courts in Mumbai, Maharashtra State alone shall have the exclusive jurisdiction in connection with any matter arising under these precincts.

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of the disclosures made in this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures being made on private placement basis, filing of this document is not required with SEBI.

DISCLAIMER OF THE ISSUER

The Bank confirms that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. The Bank accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk. This Disclosure Document is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this Disclosure Document should invest in the Debentures proposed to be issued by Issuer. Each potential investor should make its own independent assessment of the investment merit of the Debentures and the Issuer. No selective or additional information would be available for a section of investors in any manner whatsoever. The Debentures have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") or the Reserve Bank of India ("RBI"), nor do either the SEBI or the RBI guarantee the accuracy or adequacy of the disclosures made in this document. This Disclosure Document has not been submitted, cleared or approved by SEBI or the RBI.

DISCLAIMER OF THE STOCK EXCHANGE

A copy of this Disclosure Document will be submitted to the BSE and/or NSE. It is to be distinctly understood that the submission of Disclosure Document to the BSE and/or NSE should not in any way be deemed or construed to mean that the Disclosure Document has been cleared or approved by the BSE and/or NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document, nor does it warrant that the Debentures will be listed or will continue to be listed on the BSE and/or NSE; nor does the BSE and/or the NSE take any responsibility for the financial or other soundness of the Issuer, its Promoters, its management or any scheme or project of this Bank.

The Bank does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Disclosure Document is made available to investors to the Issue on the strict understanding that it is confidential.

I. NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE ISSUER.

Registered Office	Corporate Office
Axis Bank Limited, CIN : L65110GJ1993PLC020769 "Trishul", Third Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006. Tel: +91 – 79 - 66306161 Fax: +91 – 79 – 26409321 www.axisbank.com	Axis Bank Limited CIN : L65110GJ1993PLC020769 Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai – 400 025. Tel: +91 - 22 – 24252525 / 43252525 Fax: +91 – 22 - 24251800

Company Secretary and Compliance Officer	Chief Financial Officer
Mr. Girish V. Koliyote Axis Bank Limited Axis House, C-2, 8th Floor, B-Block, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel: +91 - 22 -24252525 / 43252525	**Mr. Jairam Sridharan** Axis Bank Limited Axis House, C-2, 8th Floor, B-Block, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel: +91 - 22 -24252525 / 43252525

The investors may contact the Compliance Officer or the Registrar to the Issue in case of any Issue related to the Offer such as non-receipt of letters of allotment; demat credit of allotted debentures in respective beneficiary account etc.

Trustee to the Issue	Lead Arranger
SBICAP Trustee Company Limited. Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400 020. Tel No. 91 - 22-43025555 Fax No. 91 - 22-22040465. E-mail: corporate@sbicaptrustee.com	**Axis Bank Limited** CIN : L65110GJ1993PLC020769 Axis House, C-2, 8th Floor, B-Block, Wadia International Centre, Dr. Pandurang Budhkar Marg, Worli, Mumbai – 400 025.

Registrar to the Issue	Auditor of the Bank
Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32,Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Tel:040-67162222 Fax No. 040- 23001153 **Website:** www.karvyfintech.com E-mail : subrahmanyam.mrv@karvy.com Contact Person: Mr. M. R. V. Subrahmanyam SEBI Regn No. INR000000221	**M/s Haribhakti & Co. LLP** Chartered Accountants (ICAI Registration Number 103523W/W100048) 705, Leela Business Park, Andheri Kurla Road, Andheri East Mumbai – 400 059

Credit Rating Agencies of the Issue	
CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076.	**ICRA Limited** 1802, 18th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai – 400013.

II. NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER

(as on 21-12-2018)

Sr. No	Name, Designation and DIN of Director	Age	Address	Director of the Company since	Details of other Directorships of the Board of Directors as on date
1	Dr. Sanjiv Misra Chairman Independent Director & Non-Executive (Part Time) Chairman DIN: 03075797	71 years	Flat No. 1541, ATS Village, Sector 93 A, Noida Expressway, Noida - 201304, UP	08.03.2013	(i) Hindustan Unilever Limited, Director
2	Smt. Shikha Sharma Managing Director & CEO DIN : 00043265	60 years	Flat No. 4402, South Tower, The Imperial, B. B. Nakashe Marg, Tardeo, Mumbai - 400034, Maharashtra	01.06.2009	(i) Axis Asset Management Company Limited, Chairperson (ii) Axis Capital Ltd., Chairperson
3	Prof. Samir K. Barua Independent Non-Executive Director DIN : 00211077	67 years	B 203, Samay Apartments, Near BSNL Office, Azad Society, Ahmedabad 380 015	22.07.2011	(i) Torrent Power Limited, Director (ii) Axis Capital Limited, Director (iii) Torrent Pipavav Generation Limited, Director (iv) Tata Projects Limited, Director (v) Jagran Microfin Pvt Ltd., Director (vi) NSE IFSC Clearing Corporation Limited (vii) ICAI Registered Valuers Organisation
4	Shri Som Mittal Independent Non-Executive Director DIN : 00074842	66 years	D-330, Sector 47, Noida - 201303, UP	22.10.2011	(i) ExlService Holdings Inc, Director (ii) National Institute of Information Technology University, Director (iii) Cyient Ltd (formerly known as Infotech-Enterprises Ltd), Director (iv) Tata Singapore Airlines Limited, Director (v) Sheela Foam Limited, Director (vi) CAF, Director (vii) NCPEDP, Director (viii) GMR Varalakshmi Foundation
5	Shri Rohit Bhagat Independent Non-Executive Director DIN: 02968574	54 years	925, Culebra Road, Hills Borough, California, CA 94010 - USA	16.01.2013	(i) Mukt Capital, Managing Director (ii) Franklin Templeton ETF Trust, Independent Trustee (iii) Zentific Investment Management, Director (iv) Asset Mark (v) Freecharge Payment Technologies Private Limited
6	Smt. Usha Sangwan Nominee Director – Life Insurance Corporation of India (LIC) [Equity Investor] DIN: 02609263	60 years	B-6, Jeevan Jyot, Napeansea Road, Off Setalwad Lane, Mumbai - 400036, Maharashtra	17.10.2013	(i) Ambuja Cement Limited, Nominee Director (ii) BSE Limited, Nominee Director (iii) Grasim Industries Limited, Director
7	Shri S. Vishvanathan Independent Non-Executive Director	64 years	560, SFS Flats, Mandakini Enclave Alaknanda, New Delhi – 110019	11.02.2015	(i) AVTEC Ltd., Director

	DIN: 02255828				
8	Shri Rakesh Makhija Independent Non-Executive Director DIN: 00117692	67 years	A 702 Empress Towers Sopan Baug Road, Pune – 411001	27.10.2015	(i) Tata Technologies Limited, Director (ii) TML Drivelines Limited, Director (iii) SKF India Limited, Chairman (iv) A.TREDS Limited, Director (v) Tata Marcopolo Motors Ltd., Director
9	Smt. Ketaki Bhagwati Independent Non-Executive Director DIN: 07367868	54 years	51, Floor – 5, Plot – 1289, Palm Spring, Eknath Buwa, Hatiskar Marg, Bengal Chemical, Prabhadevi, Mumbai – 400025	19.01.2016	(i) Omniactive Health Technologies Limited, Director
10	Shri B. Babu Rao Nominee Director – Administrator of the Specified Undertaking of Unit Trust of India (SUUTI) [Equity Investor] DIN: 00425793	60 years	16/63, MHB Colony, Reclamation, Bandra (West), Mumbai – 400 050.	19.01.2016	(i) Stock Holding Corporation of India Limited, Director (ii) UTI Infrastructure Technology & Services Limited, Director (iii) Ceybank Asset Management Limited, Sri Lanka, Director (iv) Axis Securities Limited., Director (v) National Financial Holdings Company Limited, Director
11	Shri Stephen Pagliuca Nominee Director – Entities affiliated to Bain Capital [Equity Investor] DIN : 07995547	63 years	29, Webster Road, Weston, Massachusetts, United States – 02493	19.12.2017	(i) Gartner Inc. (Delaware, USA), Director & Shareholder (ii) TWCC Holdings Corp. (Virginia, USA), Director (iii) Virgin Cruises Limited (Bermuda), Director (iv) The Boston Celtics (Massachusetts, USA), Shareholder (v) Bain Capital, LP(Delaware, USA), Co-Chair (vi) Bain Capital Private Equity, LP (Delaware, USA), Managing Director
12	Shri Girish Paranjpe Additional Independent Director	60 years	Villa 141, Phase 1, Adarsh Palmmeadows, Ramagondanahall, Whitefield, Bangalore-560 066	2.11.2018	(i) Edreams Edusoft Private Limited (ii)Happiest Minds Technologies Private Limited (iii) IBS Software Services Pvt.Ltd (iv) Dixcy Textile Pvt Ltd (v)CRISIL Limited (vi)ASK Investment Managers Ltd (vii)Exfinity Venture Partners
13	Shri Rajiv Anand Executive Director (Wholesale Banking) DIN: 02541753	52 years	D1204, Ashok Towers, Dr. S.S. Rao Marg, Parel Mumbai – 400012.	04.08.2016	(i) Axis Securities Limited (ii) National Payments Corporation of India, Director
14	Shri Rajesh Kumar Dahiya Executive Director (Corporate Centre) DIN: 07508488	51 years	5-B, 5th Floor, Vaibhav Apartment 80, Next to Amarsons Garden, B. Desai Road, Warden Road, Mumbai – 400026.	04.08.2016	(i) Axis Private Equity Limited (ii)Axis Trustee Services Limited (iii)Axis Finance Limited

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

Details of change in Directors since last three years

Sr. no.	Name of Director & Designation	DIN	Date of Appointment/ Resignation	Director of the Company since
1.	Shri. S. Vishvanathan Independent Director	02255828	Appointed as an Independent Director w.e.f. 11th February, 2015.	11th February, 2015
2.	Smt. Ireena Vittal Independent Director	05195656	Resigned as an Independent Director w.e.f. 23rd August, 2015.	3rd November, 2012
3.	Shri Rakesh Makhija Independent Director	00117692	Appointed as an Independent Director w.e.f. 27th October, 2015.	27th October, 2015
4.	Shri Ketaki Bhagwati Independent Director	07367868	Appointed as an Independent Director w.e.f. 19th January, 2016.	19th January, 2016
5.	Shri B. Babu Rao Nominee of the Specified Undertaking of the Unit Trust of India	00425793	Appointed as a Nominee Director – SUUTI w.e.f. 19th January, 2016.	19th January, 2016
6.	Shri K. N. Prithviraj Nominee of the Specified Undertaking of the Unit Trust of India	00115317	Retired as a Nominee Director w.e.f. 9th January, 2016 pursuant to expiry of his tenure.	9th January, 2008
7.	Shri Sanjeev Kumar Gupta Whole Time Director Executive Director & Head (Corporate Centre) & CFO	00237353	Retired as a Whole Time Director w.e.f. 19th March, 2016.	4th September, 2014
8.	Dr. Sanjiv Misra Independent Non-Executive (Part Time) Chairman	03075797	Appointed as an Independent Director w.e.f. 12th May 2016 and appointed as Part Time Non-Executive Chairman w.e.f. 18th July 2016.	12th May 2016
9.	Shri Rajiv Anand Executive Director (Wholesale Banking)	02541753	Appointed as a Director w.e.f. 12th May 2016 and designated as an Executive Director (Retail Banking) w.e.f. 4th August, 2016 and re-designated as an Executive Director w.e.f. 21st December 2018.	12th May 2016
10.	Shri Rajesh Kumar Dahiya Executive Director (Corporate Centre)	07508488	Appointed as a Director w.e.f. 12th May 2016 and designated as Executive Director w.e.f. 4th August, 2016.	12th May 2016
11.	Shri V. R. Kaundinya Independent Director	00043067	Ceased to be an Independent Director w.e.f. 12th October 2017 pursuant to expiry of his tenure.	12th October 2009
12.	Shri Stephen Pagliuca Nominee Director – Entities affiliated to Bain Capital	07995547	Appointed as a Nominee Director – entities affiliated to Bain Capital w.e.f. 19th December 2017.	19th December 2017
13.	Shri Prasad R Menon Independent Director	00005078	Ceased to be an Independent Director w.e.f. 9th October 2018 pursuant to expiry of his tenure.	9th October 2010
14.	Shri Girish Paranjpe Independent Director	02172725	Appointed as an Additional Independent Director w.e.f. 2nd November, 2018.	2nd November, 2018
15.	Mr. V. Srinivasan Deputy Managing Director	00033882	Retired from the services of the Bank and ceased to be the Whole-Time Director (Deputy Managing Director) w.e.f. on 21th December 2018	15th October 2012

Details of change in Statutory Auditors since last three years:-

Name	Address	Date of Appointment / Resignation	Remarks
M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Registration Number 301003E)	The Ruby, 12th Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai - 400028	Date of Appointment: 28-June-2014 Expiry of Term: 19-June-2018	As per RBI policy Statutory Auditors of a Bank are rotated after every 4 years.
M/s Haribhakti & Co. LLP Chartered Accountants (ICAI Registration Number 103523W/W100048)	705, Leela Business Park, Andheri Kurla Road, Andheri East Mumbai – 400 059	Date of Appointment: 20-June-2018	Appointed as the Statutory Auditors of the Bank for period of 4 years.

III. BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS.

OVERVIEW:

The Bank is a leading private sector bank and financial services company in India and offers a wide range of products and services to corporate and retail customers through a variety of delivery channels. The Bank commenced operations in April 1994 and over the last 24 years, the Bank has grown both in terms of the size of its asset base and its physical network of branches, extension counters and ATMs.

As at 31 March 2018, the Bank was the third largest private sector bank in India in terms of total assets, based on public filings of private sector banks. The Bank's total assets as at 31 March 2018 were Rs. 6,91,330 crores as compared to Rs. 6,01,468 crores as at 31 March 2017. The Bank's net profit has declined from Rs. 3,679 crores in the year ended 31 March 2017 to Rs. 276 crores in the year ended 31 March 2018, representing a decrease of 92.51 per cent. As at 31 March 2018, the Bank's net loans and net deposits amounted to Rs. 4,39,650 crores and Rs. 4,53,623 crores, respectively. The Bank's total assets as at 30 September 2018 stood at Rs. 7,30,546 crores. The Bank's net profit for the H1 2019 stood at Rs.1,491 crores. Banks advances grew to Rs. 4,56,121 crores as on 30 September 2018.

As at 30 September 2018, the Bank had a network of 3,882 branches and extension counters and 12,660 ATMs spread over 2,269 centres in India. In addition to the Bank's growing branch and ATM network, the Bank also offers telephone banking in various cities, as well as Internet banking and mobile banking facilities. These and other resources give the Bank the capability to deliver a broad range of banking products through multiple delivery channels for the convenience of its customers. As at 30 September 2018, the Bank also had ten overseas offices, with branches in Colombo, DIFC, Hong Kong, Shanghai and Singapore and representative offices in Dubai, Abu Dhabi, Sharjah, and Dhaka and a subsidiary in London. The Bank has also set up an Offshore Banking Unit at the International Financial Service Centre (IFSC), and the Gujarat International Finance Tec-City (GIFT City) in Gandhinagar, India. The Bank's foreign branches primarily offer corporate banking, trade finance and treasury and risk management services.

The Bank's core income stream comprises interest income earned on its large and mid-corporate, SME, agriculture and financial inclusion, and retail loan portfolio, as well as its money-market operations and investment portfolio. The Bank also earns fee and commission income from the processing of loans, documentary credits, bank guarantees, placements and syndication, cash management services, advisory services, depository services, capital market services, ATM interchange and cards, remittance, wealth management and sale of third party products. The Bank also earns trading profit from proprietary trading in investments, foreign exchange and derivatives. The Bank's expenses consist of interest and non-interest expenses. The Bank's major non-interest expenses include staff cost, occupancy cost (including rent for office premises, repair and maintenance), depreciation and other administrative costs.

The Bank was formerly known as UTI Bank Limited (having corporate identity number L6511GJ1093PLC020769) and obtained its certificate of incorporation on 3 December 1993 and its certificate of commencement of business under the Companies Act, 1956 from the Registrar of Companies, Gujarat Dadra and Nagar Haveli, India on 14 December 1993. The Bank began operations by opening its first branch in Ahmedabad on 2 April 1994 and was one of the first private sector banks established under guidelines issued in 1993 by the RBI in line with the Government's policy to reform India's financial sector. In 2007, the Bank changed its name from "UTI Bank Limited" to "Axis Bank Limited", obtaining its certificate of incorporation on change of name on 30 July 2007, from the Registrar of Companies, Gujarat Dadra and Nagar Haveli, India.

Since the year ended 31 March 2011, the Bank has experienced significant growth in its customer and geographical base, which expanded from 9.40 million retail saving customer accounts in 921 locations in India as at 31 March 2011 to 22.50 million retail saving customer accounts in over 2,163 locations in India as at 31 March 2018.

The Bank's principal business activities are divided into two segments, Banking Operations and Treasury.

1. Banking Operations

Banking Operations include products and services in the following areas:

• Corporate Relationship Group (CRG), offers various loan and fee-based products and services to large and mid-corporate clients. These products and services include cash credit facilities, demand and short-term loans, project finance, export credit, factoring, channel financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products, cash management services, warrant payment services, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State Governments in India. Liability products including current accounts, certificates of deposit and time deposits are also offered to customers of large and mid-corporate segments. Loans under this segment amounted to Rs. 1,74,446 crores and constituted 39.68 per cent. of the Bank's total loan portfolio as at 31 March 2018.

• The Bank operates from 66 SME centres to service customers, effectively covering around 3,700 branches. . The SME group offers products, including term loans and working capital finance, tailored to the specific requirements of SME clients. Loans under the SME (including corporate agriculture) amounted to Rs. 58,739.50 crores as at 31 March 2018 and constituted 13.36 per cent. of the Bank's total loan portfolio as at 31 March 2018.

• Retail Banking offers a variety of liability and asset products and services to retail customers. Retail liability products include savings accounts, time deposits and customised products for certain target groups, such as high-net-worth individuals, senior citizens, working mothers, armed forces personnel, students and salaried employees. Retail asset products include home loans, personal loans, auto loans, consumer loans, loans against gold and educational loans as well as secured loans of various types. The Bank also offers other products and services such as debit and travel currency cards, financial advisory services, bill payment services and wealth management services. The Bank had 22.50 million retail savings customer accounts as at 31 March 2018. The Bank also markets third party products such as mutual funds and Government savings bonds. A wide range of liability and asset products and services are also offered to non-resident Indians **(NRIs)**. The retail portion of the agriculture lending business of the Bank was reorganised and aligned with the existing retail loans portfolio. The Bank's retail advances amounted to Rs. 2,06,465 crores as at 31 March 2018 and constituted 46.96 per cent of the Bank's net advances as at 31 March 2018.

• Transaction Business Banking. The Transaction Business Banking group (TxB) was formed in April 2015 to provide effective service to the Bank's customers and to offer efficient client management and product solutions. The TxB department provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, foreign exchange and derivatives. In addition to transaction banking services to corporate customers, the TxB group also provides current accounts, savings accounts to Government and State Government agencies as well as to retail customers. As at 31 March 2018, the Bank had 1.9 million current account relationships in its business banking segment.

Banking Operations

Banking operations include products and services in the following areas:
A) Corporate Relationship Group
B) Corporate Credit Department
C) SME;
D) Retail banking; and
E) Transaction banking.

The Corporate Relationships and Lending business of the Bank is organised as follows:

A) Corporate Relationship Group (CRG)

During the fiscal years of 2017 and 2018, the Bank expanded its client coverage model, and specific business groups were formed to provide focused service to various customer sub segments within the Corporate Relationship Group. The focus and primary responsibilities of the various groups under the CRG are described below:

• **Strategic Client Coverage Group (SCG):** This team is exclusively responsible for select blue-chip corporate customers that generally have a national footprint. These accounts require dedicated coverage from the Bank to obtain better value in terms of profit, capital efficiency and cross-sale of non-credit products;

• **Corporate Client Coverage Group (CCG):** This team is responsible for managing relationships across all products of the Bank for all corporates other than those being covered by the SCG, the Structured Finance Group, New Economic Group, Government Coverage Group and the SME department (described below).

• **Structured Finance Group (SFG):** This team plays an important and critical role in managing the asset book of the bank which may need timely and proactive intervention. The SFG has two sub groups, namely Strategic Solutions Group and Stressed Assets Group:

i. **Strategic Solutions Group (SSG):** The team provides structured financial solutions to select corporate clients that require special attention and proactive management; and
ii. **Stressed Assets Group (SA):** The team is responsible for the efficient resolution of non-retail NPAs of the Bank.

• **New Economy Group (NEG):** This group has been formed to capitalise on the opportunity in the Indian retail customer sector. The group intends to focus mainly on companies which have moved past their initial development and setting-up stage and typically have been in operation for at least a year.

• **Government Coverage Group (GCG):** The group aims to strengthen the non-liability business in the government/PSU segments besides and to enhance the quality of customer service in these segments.

• **Strategic Initiatives Group (SIG):** The team is responsible for guiding the corporate business in policy formulation, advising on digital initiatives to be undertaken, monitoring the performance of the department, providing business intelligence and credit intelligence by way of market studies, data analytics and trends over time.

Financial Institutions Group
Financial Institutions Group comprises Global Financial Institutions Division and the Syndication Division.

Global Financial Institutions Division (GFID)
The GFID is a coverage team within the Financial Institutions Group, in the Bank. They develop and maintain strategic business relationships with Banks and Financial Institutions (FIs) across the globe to build a network of CBs and FIs that support the trade and cross-border business of the Bank and its customers. The GFID also holds primary responsibility for developing a funding base and for increasing the coverage income from various other products offered across the Bank.
The GFID consists of the following subgroups:
• International Financial Institutions Relations Group;
• Domestic Financial Institutions Relations Group;
• Correspondent Banking & Payments Group;
• Financial Institutions Credit Group; and
• Financial Institutions Trade Sales Group.

The **International FI Relations Group** is responsible for establishing new FI relationships and maintaining existing relationships with financial institutions across the globe. **The Domestic FI Relations Group** is in charge of relationships with domestic banks and FIs. Both the relationship groups hold the primary responsibility for achieving business goals and catering to the specific requirements of the FI segment, while driving the overall coverage opportunities for the Bank.

The Correspondent Banking & Payments Group is responsible for facilitating inter-Bank business by leveraging relationships maintained by the FI Relations Group. This group also facilitates the opening, maintenance and review of nostro and vostro accounts, and develops new products and solutions in the payment space in accordance with market demands and needs of the customers.

The FI Trade Sales Group caters to the Bank's corporate and SME customers with a range of FI Trade products amongst others like the buyers' credit and suppliers' credit, performance guarantee, advance payment guarantee and bid bond guarantee. This group also actively buys and sells FI trade assets and is also responsible for buying and selling of FI loans in the secondary market.

The FI Credit Group manages the FI asset portfolio and is responsible for appraisal, review and management of counterparty bank limits. In carrying out these tasks, this group works within the broader policy of the Bank's Risk Management Department. The group is also responsible for growing the FI credit business through primary FI loans and funding to customers against SBLC of the Bank's partner banks.

The GFID has achieved significant milestones over the last few years and is a consistent contributor to the profitability of the Bank. The GFID has built a sound network of over 1,000 partner banks across the globe, to provide a holistic solution for the global banking needs of the Bank's customers. Furthermore, the GFID is also responsible for forging strategic alliances with banks in various key geographies, with the intention of being their preferred partners in India for retail and corporate banking customers

Syndication
The Syndication division of the Bank leads the Bank's corporate loan underwriting and distribution business. The primary focus of this group is to identify underwriting opportunities in both onshore and offshore markets and to undertake distribution of the underwritten transactions.

The Bank has developed strong relationships with investors and issuers, including other banks, financial institutions and foreign institutional investors. The Bank is a leading player in the loan syndication market in India and offers solutions across various asset classes including but not limited to in areas of project finance, mergers and acquisition, asset backed and corporate loans.

The Bank is active in the domestic debt market and syndicated approximately Rs. 196.39 million domestically and approximately U.S.$724 million in the international market during the year ended 31 March 2018. During the year ended 31 March 2017, the Bank syndicated approximately Rs. 162.72 million domestically and approximately U.S.$1,245 million in the international market. As at the date of this Offering Circular, the Bank has a market share of 12 per cent. and has been ranked number 1 in the Bloomberg league table for Indian borrower loans book runner for the year H1 CY2018.

B) **Corporate Credit Department (CCD):**

This department handles the various functions related to appraisal and monitoring of credit products for all corporate clients, other than those covered by the SME department and the Strategic Solutions Group along with managing the project advisory function for underwriting.

Products and Services

A broad classification of products and services offered by the Bank to its CRG clients (as well as to "SME" (including corporate agriculture), for which see "– SME") is set forth below.

• Fund-based products. Loans and advances for working capital, corporate finance and project finance.

• Non-fund-based products. Non-funded advances such as documentary credits, standby letters of credit and guarantees.

• Fee-based services. Including fund transfers, cash management services, collection of Government taxes, trade services and loan syndication.

Other products and services offered include time deposits and current accounts (ie chequing accounts). These products and services are delivered to customers through the Bank's network of branches, correspondent banking networks, telephone banking, mobile banking and the Internet.

Fund-Based Products

Fund-based limits are generally granted by way of overdrafts, cash credit, demand loans, medium-and long-term loans and discounting of bills. Generally, the type of facility to be granted is determined based on factors such as the loan purpose, the security offered, the size of the advance, repayment terms, risk profile and the requirements of the customer.

Working Capital Finance

Cash credit, working capital demand loans and overdraft facilities are funded facilities, usually secured by current assets such as inventory and receivables. These facilities are generally extended for a period of one year. In almost all cases, facilities are subject to an annual review and are repayable on demand. Interest is collected on a monthly basis, based on daily outstanding amounts.

Bill discounting involves discounting negotiable instruments, which are generally issued for trade receivables. These can also be re-discounted with other banks and financial institutions, if required.

As at 31 March 2018, the Bank's outstanding net corporate working capital loans amounted to Rs. 1,01,504 crores, constituting 23.09 per cent. of its net loan portfolio, as compared with Rs. 73,178 crores as at 31 March 2017, constituting 19.62 per cent. of its net loan portfolio as at that date.

Project and Corporate Finance

The Bank provides project finance to companies in the manufacturing, service and infrastructure sectors by way of medium- and long-term loans. Corporate financing is offered to customers based on the Bank's appraisal of the quality of management, industry, prospects, business model and financial strength of the firm. This financing is provided by way of term loans of various tenors. The Bank offers asset-based lending such as receivables financing and also offers customised corporate finance products to meet specific customer needs.

As at 31 March 2018, the Bank's outstanding net non-retail loans for project and corporate finance amounted to Rs. 1,31,682 crores, constituting 29.95 per cent. of its net loan portfolio, comparedwith as at 31 March 2017, these amounted to Rs. 1,31,899 crores , constituting 35.36 per cent. of the Bank's net loan portfolio.

Non-Fund-Based Products

Documentary Credits

The Bank provides documentary credits to customers to meet their working capital requirements as well as for capital equipment purchases. Documentary credits are approved together with a working capital assessment or a project finance assessment. Typically, a working capital line can be drawn down on a revolving basis over the term of the facility. Customers pay fees for drawdowns of the documentary credit, and the Bank may require additional collateral by way of a cash margin. The percentage of any such margin is determined according to the Bank's perception of the transaction's risk. As at 31 March 2018, the Bank's documentary credit portfolio amounted to Rs. 32,410 crores, compared with Rs. 33,537 crores as at 31 March 2017.

Guarantees

Guarantees, which also include standby letters of credit, can be drawn down in a revolving manner over the life of the facility. Guarantees are also assessed during the course of working capital requirements. Guarantees are issued for various purposes such as bid bonds, performance guarantees on behalf of borrowers for execution of contracts, deferral or exemption from payment of statutory duties against performance obligations, advance payments, release of retention monies and other purposes.

The tenor of guarantees is generally 36 months or less depending on the underlying obligations being guaranteed, although certain guarantees with a longer term may be approved. As with documentary credits, the Bank sometimes obtains additional collateral by way of a cash margin which, in the case of certain types of guarantees, may be as much as 100 per cent. As at 31 March 2018, the Bank's outstanding guarantees amounted to Rs. 84,975 crores compared with Rs. 81,132 crores as at 31 March 2017.

Fee-Based Services

Fee income (including merchant profit) from corporate credit banking services (which also includes fees from SME (including corporate agriculture lending), business banking and treasury) constitutes one of the significant revenue streams of the Bank. Fee income from these segments accounted for 15.58 per cent. of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for the year ended 31 March 2018. The Bank offers a variety of fee-based services, including cash management services, collection of commercial taxes, trade services, remittances, collections and loan syndication. In addition to these traditional fee-generating products and services, the Bank also offers tailor-made products on a fee-basis to address specific corporate customer needs through a structured products group.

Credit Selection Strategy

The Bank's criteria for acceptability of credit include:

• an acceptable internal credit rating (generally BBB and above with more focus on A- and above for large and mid-corporates and SME4 (moderate safety) and above for borrowers in the SME segment);

• significant probability of credit rating enhancement in the medium term;

• strong cash flows;

• satisfactory quality of management in terms of past track record of performance and reputation for competence, integrity and respectable corporate governance practices;

• long-term sustainability of the borrower's business model;

• likely future leader in emerging businesses;

• acceptable underlying security and credit enhancement measures; and

• reasonable pricing and acceptable rate of return on capital.

Pricing Policy

The Bank prices its credit products based on its assessment of the risk profile of borrowers, largely based on:

• internal/external credit rating of customers;

• tenor of the loan;

• the specific structure of the product (such as embedded options);

• available collateral and credit enhancement;

• overall relationship value; and

• market conditions.

Export Credit

According to the Master Circular — Rupee/Foreign Currency Export Credit and Customer Service to Exporters R31/2015-16/47 DBR No.DIR.BC.14/04.02.002/2015-16 issued on 1 July 2015, banks are able to offer Indian Rupee export credit at interest rates at or above the base rate. Pre-shipment and post-shipment export credit can be provided in both Indian Rupees and foreign currencies. Export credit for eligible activities under agriculture and micro and small enterprises (MSEs) is reckoned for priority sector lending under respective categories. The RBI provides export refinancing for an eligible portion of total outstanding export loans at the bank rate prevailing from time to time. Banks also earn fees and commissions from exporter customers for certain fee-based products and services provided to them, in addition to the interest income earned on export credits. As at the last reporting Friday of the year ended 31 March 2018, the Bank's outstanding export credit amounted to Rs. 4,380 crores, constituting 1.28 per cent. of the Bank's adjusted net bank credit. As at the last reporting Friday of the year ended 31 March 2017, the Bank's outstanding export credit amounted to Rs. 3,182 crores, constituting 1.10 per cent. of the Bank's adjusted net bank credit.

C) **SME**

This segment is of strategic importance to the Bank as it generates higher yields and helps to diversify risk. SMEs offer good business potential both for fund-based and non-fund-based products, as well as for cross-selling of products.

The Bank continued its focus on the SME segment during the year by providing timely and adequate credit to customers with quick turnaround time. The wide range of customised products offered by the Bank ensures that customers get adequate finance best suited for their businesses. The segment offers both template and non-template products, including term loans and working capital finance, non-fund based facilities tailored to the specific requirements of clients. The Bank has created focused business segments to meet the requirements of this sector, namely the Small Enterprises Group (for exposures up to Rs. 100 million), the Medium Enterprises Group (for exposures above Rs. 100 million) and the Supply Chain Finance Group. As at 31 March 2018, these business segments comprised 45 per cent., 38 per cent and 17 per cent of total SME advances respectively.

The Bank's SME business segment emphasises relationship building and supporting entrepreneurs. Loans to SMEs increased by 19 per cent. from Rs. 49,200 crores as at 31 March 2017 to Rs 58,700 crores as at 31 March 2018. As at the date of this Offering Circular, the Bank operates from 66 SME centres across the country (54 SME centres and 15 SME cells in the previous year) to service customers, effectively covering over 3,700 branches. The Bank has built what it believes is a robust risk management system which has helped the portfolio for the SME business to remain well diversified and in turn carry lower concentration risk. The Bank also uses an early warning signals tool which helps it identify unfavourable sectional trends early in the cycle and take corrective action if necessary. The Bank uses its internal credit rating model, which utilises a combination of quantitative and qualitative input to arrive at a view of the risk profile of the SME counterparty and assigns an internal rating grade corresponding to a distinct possibility of default over a year. It has also adopted a practical approach to increasing the SME portfolio by focusing primarily on better-rated SME accounts. Business analytics is being used to identify potential borrowers across various sectors. The SME business continues to perform well and the portfolio behaviour remains healthy.

The Bank also sponsors and supports initiatives and trade fairs to encourage the SME sector. The Bank demonstrated its commitment to support SME growth through its Evolve programme, an educational initiative for SMEs. The fourth edition of Evolve was organised around the concept of "how a family business may be transformed into a successful business". This Evolve programme was implemented in 30 cities whereby more than 3,000 SMEs participated.

Corporate Agriculture Lending

The RBI requires the Bank to lend 18 per cent. of its adjusted net bank credit of the previous year to the agricultural sector. In light of future business prospects in the Indian agricultural and related sectors, the Bank has identified agricultural lending as an area of potential growth.

The Bank re-organised the agricultural lending business and merged the non-retail portfolio of agricultural advances with the SME business, while retail portfolio was merged with the existing portfolio of retail loans. The Bank offers schemes for financing the agricultural value chain participants such as agro-processing units and agricultural service providers. In addition, the Bank has established relationships with various companies and cooperatives in the plantation, poultry and seed sectors to meet their project financing and working capital requirements.

The Bank's strategy in agricultural lending is based on a comprehensive view of the agricultural value chain, a focus on diversification, and partnerships with other companies in the agricultural sector, microfinance and other rural institutions and non-governmental organisations (NGOs) that have close links to the agricultural sector. The Bank has also devised a separate risk evaluation model for agricultural loans with an objective to measure and mitigate the risk involved in financing this sector. The Bank also utilises the services of business correspondents in select areas to expand its reach in areas unserved or underserved by the banking industry.

There has been considerable improvement in the rural infrastructure in select areas in India in recent years. The Bank's agricultural financing initiatives are largely focused on such regions where the need for credit has consequently increased. The Bank intends to develop its agricultural lending business by:

• offering suitable products to various members in the supply chain in the agriculture business (such as warehouses and cold storage units); and

• leveraging the Bank's technology platform to distribute its products and services conveniently and cost-effectively in rural areas.

For the year ended 31 March 2018, the SME segment, including corporate agriculture lending, recorded fee income of Rs. 4,313 million, an increase of 3.98 per cent. from Rs. 4,148 million in the fiscal year of 2017.

The Bank's SME business segment emphasises relationship building and nurturing of entrepreneurial talents. Loans to SMEs (including corporate agriculture lending) increased by 19.46 per cent. from Rs. 49,172 crores as at 31 March 2017 to Rs. 58,740 crores as at 31 March 2018. The SME segment continues to focus on increasing fee income through non-fund-based advances.

Credit Selection Strategy and Pricing Policy

The credit selection strategy and pricing policy used in the SME segment, including the corporate agriculture segment, follow substantially the same procedures as those used for the corporate relationship segment. See "– Corporate Relationship Group – Credit Selection Strategy" and "–Corporate Relationship Group Banking – Pricing Policy".

Overview of Operations

D) RETAIL BANKING

The Bank's retail strategy focuses on network expansion, product differentiation, customer segmentation, sales effectiveness and provision of quality customer service. To access a larger segment of India's population, the Bank has developed a wide network of fully interconnected retail branches, extension counters, ATMs, asset sales centres, an Internet banking channel, a call centre and mobile banking. The Bank's branches distribute liability accounts, debit cards, travel cards and remittance cards, and have POS terminal machines and depository services, and sell third party products such as mutual funds and savings bonds issued by the Government. The Bank's asset sales centres distribute retail credit products such as mortgage loans, personal loans, vehicle loans and educational loans. The Bank is focused on providing each customer with its choice of channel for transactions and products to meet its financial needs and quality service.

Retail Banking includes products and services in the following areas:

- Retail Liabilities;
- Investment Products;
- Retail Lending (including Retail Agriculture Lending) & Payments; and
- Financial Inclusion

- **Retail Liabilities**

The Bank's retail liability products include the following:

• Term Deposits. Tenure-based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates.

• Recurring Deposits. Tenure-based periodic deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates by paying penalties.

• Savings Bank Accounts. Demand deposits from retail customers are interest-bearing and offer a withdrawal facility through cheque books and debit cards. While formerly set by the RBI, savings bank deposit interest rates have been deregulated since 25 October 2011. See "Supervision and Regulation".

In addition to the Bank's conventional deposit products, it offers a variety of special value-added products and services, thereby increasing product offerings and providing greater convenience for customers. The Bank is one of the largest private sector bank issuers of debit cards in India based on bank-wide ATM/POS/CARD statistics published by the RBI for March 2018.

Adopting a customer-centric segmentation strategy, the Bank offers differentiated liability products to various categories of customers depending on one or more factors such as age group, gender, income and occupation. While "Axis Burgundy" and "Axis Bank Priority" services cater to high-net-worth individuals, the "Savings Bank Easy Account" serves as an entry-level product to customers. The Bank has also introduced savings bank products tailored to youth, women, senior citizens, trusts and NGOs. The Bank's payroll account scheme offers customised products for the employees of the armed services, corporations, Government and other public sector entities.

The following provides a discussion of the products and services of the Bank's retail liability business.

Prime Segment

The segment aims to offer prompt and easily accessible banking services through the Bank's network of branches and extension counters, ATMs, the Internet, the Bank's call centre, a mobile banking platform, debit cards with high withdrawal limits and the Bank's "At par Chequebook" facility. This segment offers customers products such as the "Easy Access Savings Account" (an entrylevel savings account), "Prime Savings Account" (which has a Rs. 25,000 average quarterly balance requirement) and "Prime Plus Savings Account" (which has a Rs. 100,000 average quarterly balance requirement). As at 31 March 2018, deposits under the Prime segment increased to 42,102 crores, constituting 28.43 per cent. of the Bank's total savings bank deposits, as compared with Rs. 37,651 crores, constituting 29.90 per cent. of the Bank's total savings bank deposits, as at 31 March 2017.

Savings Bank Account for Trusts and NGOs

The Bank also has a savings bank product for the trusts, societies and NGO segment. The product provides banking solutions by leveraging the "Anywhere Banking" platform of the Bank, the at par Chequebook facility (which has no upper limit) and other value-added services. As at 31 March 2018, the segment accounted for Rs. 6,921 crores in deposits, constituting 4.67 per cent. of the total savings bank deposits of the Bank, as compared with Rs. 6,034 crores in deposits, constituting 4.79 per cent. Of the total savings bank deposits of the Bank as at 31 March 2017.

Payroll Account Scheme

To offer complete banking solutions to salaried employees, the Bank has introduced a comprehensive payroll product consisting of differential privileges and offered on the basis of the net monthly salary of an employee. It allows the employer to manage salaries across various centres, with the employee benefiting from banking facilities including retail loans, a debit card and overdrafts, and privileges including concessional average balance requirements. As at 31 March 2017, the payroll product portfolio totalled Rs. 25,191 crores. The share of business against the overall savings portfolio was 25.42 per cent. in terms of number of accounts, and 19.99 per cent. in terms of month-end balances.

As at 31 March 2018, the payroll product portfolio totaled Rs.28,749 crores. The share of business against the overall savings portfolio was 25.27 per cent. in terms of number of accounts, and 19.42 per cent. in terms of month-end balances.

Encash 24 Account

The Bank's Encash 24 account is a savings account linked to a time deposit product that offers the customer the liquidity of a savings account as well as the higher returns of a time deposit. This product provides a weekly automatic transfer of idle balances above a certain minimum amount from savings accounts to time deposits, resulting in higher yields for the customer. Whenever there is a shortfall in the customer's savings account, deposits are automatically transferred from the time deposit account to meet the shortfall.

Axis Bank Priority Programme

The "Priority" initiative targets the mass affluent customer segment and is structured to cater for their entire relationship with the Bank, with a specific focus on banking and investment needs. Priority offers personalised services, convenience, preferential pricing across various banking products and flexible eligibility criteria. Priority benefits include access to a relationship manager, Lifestyle and Dining Privileges, Relationship pricing over a range of products, a premium "Priority Platinum International Debit Card" with unlimited and free usage at any Visa ATM and other discounts and offers along with a 25 per cent. cash back on movie ticket bookings. As at 31 March 2018, the segment accounted for Rs. 25,889 crores in deposits, constituting 17.48 per cent. of the total savings bank deposits of the Bank.

- ***Investment Products***

Life Insurance

The Bank has a bancassurance tie-up agreement with Max Life Insurance for sales of life insurance products through the Bank's branches. The tie-up is in the nature of a corporate agency model under which the Bank's staff are licensed and responsible for selling the life insurance products.

For the year ended 31 March 2018, the Bank earned fee income of Rs. 5,395 million from its Life Insurance business, which represented a 3.35 per cent. decrease from Rs. 5,582 million in the year ended 31 March 2017.

Non-Life Insurance

As Corporate Agents of Tata AIG General Insurance Co. Ltd, the Bank offers general non-life insurance to its customers through its branch distribution network. Apart from standard products, such as motor or fire insurance products, the Bank also sells products such as health, personal accident and home insurance products.

In the fiscal year of 2018, the non-life insurance business grew by over 71 per cent. Compared with the fiscal year of 2017, with over 0.57 million policies amounting to 4.45 billion of premium.

Mutual Fund Sales

The Bank is one of the leading distributors of mutual funds in India. The Bank distributes mutual fund products of all major asset management companies in India to its clients. The Bank recommends suitable schemes to its clients based on the recommendations of its own in-house research team. Mutual fund products are sold through the Bank's branch distribution network based on client requirements. The Bank earns fee income in the form of up-front retention remuneration on the sale of mutual funds and transaction charges on the sale of mutual fund products.

The Bank earned a fee income of Rs. 3,885 million through the distribution of mutual fund products for the year ended 31 March 2018, which was an increase of 22.40 per cent. from Rs. 3,174 million for the year ended 31 March 2017. A part of the Bank's regular business pursuit focus was to ensure that the products reached new sets of customers.

Online Trading

The Bank offers online trading services in collaboration with Axis Securities Limited (ASL) (a wholly owned subsidiary of the Bank) under the name AxisDirect. AxisDirect, an online platform, offers a diverse range of products including equity, derivatives, initial public offerings, mutual funds, exchange traded funds, and non-convertible debentures, among others. AxisDirect, a three-in-one investment account with online and phone trading capabilities, is available to both residents and NRI customers. AxisDirect was launched in January 2011. AxisDirect added over 0.45 million customers in fiscal 2018.

Dematerialised Account (Demat Account)

The Bank is a registered depository participant of the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The Bank began offering depository participant services in 1998 when it registered with NSDL. As on date the Bank offers depository participant services through more than 1,822 branches, serving more than 1.75 million dematerialised account (Demat Account) holders.

In accordance with SEBI circular (CIR/MRD/DP/20/2015) dated 11 December 2015 all Demat Accounts having less than 0.2 million were required to convert to basic Demat Accounts with effect from 1 April 2016. The annual maintenance fee for such accounts was reduced, which resulted in a decrease in the fee income of the Bank in fiscal 2017. The Bank earned a fee income of Rs. 275 million (retail and corporate) from Demat Accounts in the year ended 31 March 2018, as compared with Rs. 212 million (retail and corporate) earned in the year ended 31 March 2017.

Bullion Retail

Gold bars were introduced by the Bank in April 2007 and silver bars in March 2012. Both gold and silver bars are sold to retail and corporate customers under the brand "Mohur" through the Bank's branches. The Bank offers gold bars for sale in denominations ranging from 0.5 grammes to 100 grammes, and silver bars in denominations of 100 grammes. The gold and silver bars are of high levels of purity and are imported from Switzerland with assay certification.

During the year ended 31 March 2017, the Bank sold 2.61 kilogrammes of gold worth 0.83 crores and 27.80 kilogrammes of silver worth 0.16 crores through its 100 branches, earning a total commission of 0.04 crores.

Burgundy by Axis Bank

The Bank launched its most exclusive offering, 'Burgundy', to its high net income customers in September 2014. Burgundy brings solutions offered by various business groups within the Bank (including both retail and corporate divisions) under one integrated platform. It offers a dedicated Burgundy relationship manager backed by a team of experts, integrated wealth management solutions across all major asset classes, cards (debit cards, credit cards, multicurrency forex cards), lending and personal financial solutions, and customised business solutions. The assets under management of Burgundy customers as at 31 March 2018 was Rs. 1,23,298 crores as compared with Rs. 69,488 crores as at 31 March 2017.

- **Retail Lending (including Retail Agriculture Lending) & Payments**

The growth of retail and consumer lending in India is a consequence of growing affluence and changing consumer behaviour. This growth is evidenced by the utilisation of credit for consumer asset acquisition. The Bank has identified this activity as one of its core growth areas. The Bank's focused marketing approach, product innovation, risk management systems and competent back-office processes contribute to the strength of the Bank's retail lending strategy. The target markets identified for retail loans are salaried or self-employed professionals and other self-employed individuals, HUFs, trusts, firms, private limited and public limited companies. The Small Business Banking (SBB) division was formed as a separate vertical under the Retail Lending division in 2014 to specifically cater to the financing needs of MSME customers. The MSME customers are provided with secured and unsecured credit facilities in the form of fund-based as well non-fund-based limits under the SBB business.

During fiscal 2015, the Bank reorganised the agricultural lending business and merged the retail portion of agricultural advances with the existing portfolio of retail loans, while non-retail agricultural loans were merged with the SME segment. With the alignment of retail agricultural lending with retail lending, the Bank intends to service rural customers with all their financial needs as both agriculturists and customers. This strategy also allows the Bank to fully leverage its distribution network. The Bank offers a diverse range of templated products targeted at its agricultural loan customers, including the "Kisan Credit Card" (credit facilities extended to farmers for various requirements), loans for farmers against pledges of gold ornaments, a comprehensive scheme for warehouse receipt financing and cattle loans. As at 31 March 2018, the agriculture business of the Bank operated through 2,142 branches attached to 116 area offices, which facilitated the Bank's growth in the agricultural lending sector. In order to provide a strategic focus on agricultural lending, the Bank has adopted an area-centric approach to agricultural lending in areas the Bank considers agriculture-intensive and where a potential market exists for the Bank's agriculture finance. This initiative aims to help the Bank in scaling up its direct lending services.

The Bank offers a variety of retail credit products such as mortgage loans, automobile loans, commercial vehicle loans, personal loans, education loans, credit cards, loans against time deposits, loans against securities, small business banking loans and agriculture loans. The major components of the Bank's retail lending portfolio are home and mortgage finance, agriculture loans, personal loans and automobile finance. As at 31 March 2018, 2017 and 2016, the Bank's net retail advances was Rs. 2,06,465 crores, Rs. 1,67,993 crores and Rs. 1,38,521 crores, respectively, constituting 46.96 per cent., 45.03 per cent. and 40.89 per cent., respectively, of the Bank's net advances.

These loans are provided by the Bank directly through asset sales centres in metropolitan areas and major cities of India and through branches in cities where the Bank does not have an asset sales centre. The asset sales centres serve as the focal point for marketing, distribution and servicing of retail loan products.

Retail Advances Portfolio by Category

The Bank's retail advances portfolio consists of schematic and non-schematic loans. As at 31 March 2018, the portfolio mainly consists of automobile loans (comprising 10.47 per cent.), mortgage loans (comprising 48.44 per cent.), personal loans (comprising 9.79 per cent.), gold loans (comprising 0.66 per cent.), agriculture loans (comprising 15.33 per cent.), and non-schematic loans (i.e. credit cards, loans against deposits and loans against securities and others) (comprising 14.93 per cent.). The Bank's total net retail advances portfolio of Rs. 2,06,465 crores by product

Mortgage loans, personal loans, agriculture loans and non-schematic loans have been major contributors to the increase in the Bank's retail advances portfolio. The Bank's retail advances portfolio also includes loans acquired through portfolio buyouts.

The Bank's home and mortgage finance business involves extending long-term secured housing and commercial property loans to individuals and companies. As at the date of this Offering Circular, these loans are being offered for the purchase, construction and extension of residential and commercial premises. As at 31 March 2018, the Bank's total home and mortgage finance portfolio, which predominantly comprised floating rate loans, totalled Rs. 1,00,012 crores, representing 48 per cent. of the Bank's total net retail advances portfolio. As at 31 March 2017, this portfolio totalled Rs. 87,873 crores, representing 52 per cent. of the Bank's total net retail advances portfolio. Automobile finance, which includes financing four-wheelers, commercial vehicles, and construction equipment, involves providing consumer credit for an average period of three to five years to acquire a new or used vehicle. Automobile loans are secured by a lien on the purchased asset. As at 31 March 2018, the automobile loan portfolio totalled Rs. 21,612 crores representing 10 per cent. of its total net retail advances portfolio. As at 31 March 2017, the Bank's total automobile finance portfolio of Rs. 16,988 crores represented 10 per cent. of its total net retail advances portfolio. The Bank has developed relationships with several established non-banking financial companies (NBFCs) in India, providing both direct automobile finance (to individual borrowers) as well as indirect automobile finance (portfolio buy-outs). Personal loans are unsecured loans provided to customers for various purposes, such as medical expenses and social obligations, and are generally repayable over four years. As at 31 March 2018, the Bank's personal loan portfolio totalled Rs. 20,215 crores, which represented 10 per cent. of its total net retail advances portfolio, as compared with Rs. 13,909 crores, representing 8 per cent. of its total net retail advances portfolio as at 31 March 2017.

Credit Evaluation: Retail Loans

All prospective borrowers are granted loans only if they pass the credit evaluation process. The Bank has detailed product lending parameters and devised a credit-scoring sheet for all major products. For a loan to be approved, a minimum cut-off score must be achieved by a borrower. This credit rating mechanism is periodically updated and reviewed. The Bank has devised a separate risk evaluation model for agricultural loans with an objective to measure and mitigate the risk involved in financing this sector.

Merchant acquiring

The Bank launched its merchant acquiring business in December 2003 and it has emerged as one of the largest merchant acquirers in the country based on bank-wide ATM/POS/CARD statistics as published by the RBI for March 2018. Under its merchant acquiring business, the Bank focuses on strengthening its relationship with its merchant partners to open up avenues of cross-selling the Bank's transactional products. The Bank has processed card transactions amounting to Rs. 67,822 crores in the fiscal year of 2017 and Rs. 95,505 crores in the fiscal year of 2018. The Bank generated total revenue of Rs. 96.58 crores in the year ended 31 March 2017 and Rs. 154.21 crores in the year ended 31 March 2018 from its merchant acquiring business.

Other Products and Services

Other products and services offered by the retail banking segment include debit cards, meal cards, gift cards, rewards cards, remittance cards, payroll cards, annuity cards (co-branded with LIC), credit cards, card acceptance services and loans against gold.

Retail Banking – Fee Income

Fee income is generated from ATM interchange transactions, cards, safe deposit lockers, service charges on deposit transactions, processing fees from retail loans as well as fees earned from third party product sales. Fee income from retail banking activities amounted to Rs. 4,257 crores in the year ended 31 March 2018, as compared with Rs. 3,481 crores in the year ended 31 March 2017.

International Retail

The Bank offers a range of forex and remittance products to its retail customers, which include forex cards, inward and outward wire transfers, traveller's cheques and foreign currency notes, remittance facilities through an online portal as well as through correspondent banks and exchange houses. Furthermore, the Bank offers a remittances facility to NRI customers through the Bank's Sri Lankan branch and subsidiary Axis Bank UK Ltd., for remittances to India. Additionally, the Bank offers remittances from the Gulf Co-operation Council (GCC) region to Sri Lanka through tie-up with four exchange houses.

In the fiscal year of 2018, the Bank also continued to have a market leadership position in forex cards with 16 currency options other than INR being offered. Furthermore, the Bank offers the "Miles and More Multi-Currency" forex card in association with Lufthansa airline aimed at frequent flyers, which is an industry first in this segment. The aggregate value of forex cards was over U.S.$1.58 billion during the fiscal year of 2018.

The Bank also introduced a commercial forex card to address foreign currency payment needs of corporates and tour operators. This card acts as a substitute to the traditional payment mechanisms of wire transfers, foreign currency demand drafts and brings efficiency to the entire payment processing system along with providing customers with the convenience of making payments online.

The Bank was the first in India to connect with Earthport's global payment network, which spans over 60 countries. This tie-up enables the Bank to offer faster outward remittances with value added features, such as transparency in charges and reduction of transfer time of transactions. The volumes of retail remittances also rose by 7 per cent. during the fiscal year of 2018 and the Bank processed outward remittances of U.S.$3.83 billion and inward remittances of U.S.$9.29 billion in the same period.

Non-Resident Products and Services

The Bank offers a comprehensive suite of banking and investment products to the overseas Indian diaspora under the umbrella brand "NRI Services". The product suite ranges from basic products like "demand and term deposits" to private banking solutions for sophisticated and high-net-worth customers.

Key products include non-resident (external) (NRE) and non-resident ordinary (NRO) savings and term deposits, foreign currency non-resident (FCNR) (B) fixed deposits, resident foreign currency (RFC) accounts for returning NRIs and a host of investment products such as life and general insurance, mutual funds and bonds, as permitted by the relevant regulators. The Bank also offers loan and overdraft facilities to NRI customers against their term deposits with the Bank.

The Bank offers 'Portfolio Investment Scheme' (PIS) services across all its branches. All branches are authorised to issue PIS permissions to NRIs/PIOs who want to trade in the Indian secondary markets through a registered stockbroker on a recognised exchange.

The Bank has a strong focus on customer service and provides a 24x7 integrated helpdesk for NRI customers with the facility of toll-free numbers from key locations.

Retail Remittances

The Bank provides multiple inward remittance solutions to customers based on the target customer profile and the geography.

AxisRemit Online and Remit Money are the Bank's online remittance platforms, which are available to NRI customers in the United States of America, United Kingdom, Canada, Australia, Singapore, Switzerland, South Africa, Hong Kong and the UAE. Customers can log on to the platform and remit money from their overseas bank account to any bank account in India.

The Bank has also partnered with 57 exchange houses across the globe and with 59 partner banks overseas to route the remittance payments of their customers to any bank account in India. AxisRemit Direct is the Bank's alliance management platform offered to many such partner banks and foreign exchange houses for managing their remittances to India.

The Bank also offers its customers the facility to send SWIFT-enabled remittances from their overseas bank accounts to their accounts with the Bank. The Bank facilitates these remittances directly in 40 currencies through its Nostro accounts and with specific arrangements with overseas correspondent banks. Additionally, through its Nostro accounts, the Bank also supports foreign currency cheque/draft clearing for its customers.

In the fiscal year of 2018, the Bank launched inward remittance rates for NRI customers on wire transfers and a new digital platform for those services (www.remitmoney.com) to enhance customer convenience.

With its focused approach on retail remittances, the Bank processed a total of U.S.$9.295 billion in remittances during the fiscal year of 2018.

Retail Forex

The products offered under the Retail Forex segment include travel currency cards, outward wire transfers, travellers cheques and currency notes.

The Bank pioneered the introduction of its travel currency card in September 2003 and has continued to maintain its market leading position in travel currency card product offerings with a sales volume of U.S.$1.58 billion in the fiscal year of 2018. The Bank continues to enhance the MultiCurrency Forex Card product introduced in the fiscal year of 2015 that enables customers travelling to different countries to load up to 16 currencies on a single card. The Bank continues to hold a leading position among all banks in the business of travel currency cards, with a 40 per cent. market share as at 31 March 2018 according to information obtained from MasterCard and Visa. As at 31 March 2018, the total value spent by customers through the Bank's travel currency cards had exceeded U.S.$6.5 billion, while the total value of money loaded onto the Bank's travel currency cards had exceeded U.S.$9 billion.

In the fiscal year of 2016, the Bank introduced an online platform, www.axisforexonline.com, for all types of Retail Forex services such as Outward Remittances, Forex Cards and Foreign Currency Cash. With this focused approach on retail foreign exchange, a volume of U.S.$3.83 billion was processed by the Bank as remittances as at 31 March 2018.

Overseas Retail

The Bank's international retail segment now provides services to business customers in areas of retail forex and remittances and overseas retail, among others, in countries such as Hong Kong, Sri Lanka and the United Kingdom.

The Bank has focused on driving retail business initiatives in countries outside India where it already had operations in order to leverage its existing infrastructure in such countries and increase its overall retail liabilities and fee income. As on date, the Bank is permitted to carry out retail banking business through overseas branches in Colombo, Sri Lanka and Hong Kong and through its subsidiary in United Kingdom, which began banking operations in April 2013.

As at the date of this Offering Circular, the Bank's Colombo and Hong Kong branches offer liability deposits, including savings, current and term accounts. Retail deposits balances in the overseas branches as at 31 March were U.S.$181.19 million. Additionally, remittances from the Bank's overseas offices in Hong Kong, Sri Lanka, Shanghai and the United Kingdom during the fiscal year of 2018 amounted to U.S.$30.72 million.

Financial Inclusion

The Bank regards the financial inclusion sector not only as a regulatory requirement or a corporate social responsibility initiative but also as a strategic opportunity to expand its reach into the unbanked rural market and underserved segments of the urban market. As at 31 March 2018, the Bank had opened approximately 10 million basic savings accounts and had a wide network of over 16,616 customer service points with more than 14,833 such outlets in urban locations. As at the date of this Offering Circular the Bank is equipped to handle interoperable transactions on Aadhaar Enabled Payment System (AEPS), an electronic system in India that enables financial transactions based on customers' Aadhaar number – Government-issued identification numbers. This in turn has empowered the Aadhaar enabled customers of the Bank to transact at other banks' Aadhaar enabled business correspondent outlets and vice versa. During the fiscal year of 2018, the Bank had processed nearly 0.24 million AEPS payments amounting to Rs. 780 million. With respect to its remittance business, the Bank has tied up with several BCs and has processed more than Rs. 63,285 million worth of remittances during the fiscal year of 2018.

Priority Sector Lending

Commercial banks in India are required by the RBI to lend 40 per cent. of their adjusted net bank credit of the previous year to specified sectors known as "priority sectors", subject to certain exemptions permitted by the RBI from time to time. Priority sector advances include loans to the agriculture sector, micro & small enterprises, financial inclusion sector, microfinance loans, loans to certain sectors deemed "weaker" by the RBI, housing and education finance up to certain ceilings, purchase of eligible assets and investments in eligible securitised assets. Deposits with NABARD on account of shortfall in priority sector business targets are eligible for priority sector lending (PSL). The Bank is required to comply with the priority sector lending requirements. See "Selected Statistical Information — Funding — Directed Lending".

E) Transaction Business Banking

The Transaction Business Banking group (TxB) was formed in April 2015 to provide effective service to the Bank's customers and to offer efficient client management and product solutions. The TxB department provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, foreign exchange and derivatives. In addition to transaction banking services to corporate customers, the TxB group also provides current accounts, savings accounts to Government and state government agencies also in addition to providing retail customers with their forex requirements such as forex cards and wire transfers. As at 31 March 2018, the Bank had 1.9 million current account relationships in its business banking segment.

The Bank focuses on procuring low cost funds by offering a range of current account products and transactional banking solutions across all business segments such as corporates, institutions, central and State Governments and small and retail business customers. The Bank's current account products provide flexibility to its customers to choose from a range of products depending on their average balance requirements. In addition to traditional channels such as the Bank's branches and ATMs, customers can access and conduct transactions through the Bank's Internet banking platform. Customers can also access their account information through the phone banking and mobile banking facilities offered by the Bank.

The Bank provides end-to-end cash management solutions by combining efficient collections and disbursements products, backed by state-of-the-art systems to ensure customised delivery. The Bank offers cash management services such as collection, payment and remittance services with a focus on improving clients' cash flows. In the cash management services business, the Bank focuses on offering customised services to its customers to cater to specific corporate requirements and improve the existing product line to offer enhanced features to the customers. These solutions leverage the Bank's growing branch network and robust technology to provide an ideal blend of structured monthly information systems and faster fund movement, so that customers are able to enhance their fund management capabilities. Cash management products include local and remote collections, local and remote payments through customer cheques and bulk demand draft, electronic clearing services, disbursement of dividend and interest and Internet-based payment products along with a customised management information system (MIS). The Bank is also focusing on host-to-host integration for both collections and payments, such as IT integration between corporates and the Bank for seamless transactions and information flow. The Bank provides comprehensive structured MIS reports on a daily or monthly basis or as required by clients for better accounting and reporting. Cash management services are not only emerging as an important source of fee income but are also contributing significantly towards mobilising zero-cost funds and building strong client relationships.

Under the custodial business segment, the Bank offers a full range of custodial services for primary and secondary market operations involving debt, equity and money market instruments. The Bank is approaching insurance companies, mutual funds, foreign corporate entities, foreign venture capital investors and foreign institutional investors to further market these services.

Under the trade, forex and derivative business segment, the Bank offers complete trade finance and foreign exchange business solutions through its branches across the country. The Bank also provides structured hedging solutions to all client segments of the Bank. The derivatives team is responsible for providing a variety of hedging solutions, such as exchange and interest rate derivative structures, including options and swaps in accordance with the derivative policy of the Bank. The Bank also has a team of experts stationed at its central office who serve a co-ordinating role for the Bank's branches and business departments which need advice on regulations governing trade and forex business.

As at 31 March 2018, the Bank had 3,703 branches spread across India and, in addition, offered services through arrangements with reputable correspondent banks. These arrangements help to respond to increasing customer demand and offer a broader distribution network. As a result of these correspondent banking relationships, cash management services are provided at multiple locations in India, with a capability of extending the network to other remote locations depending on need. The Bank also offers its services to other private and foreign banks as a correspondent bank. Its dedicated services desk, the Centralised Collection and Payment Hub, ensures that the clients' collection and payment activities are executed within minimum transit time thereby reducing interest cost and improving clients' liquidity.

The Transaction Banking Department is divided into the Sales Group, Products and Solutions Group and Customer Services Group.

Sales Group: This team focuses on driving sales across all customer segments, primarily of transaction banking products. The Sales Group is further organised by customer segment, namely (a) Corporate and Financial Instructions, (b) Branch Banking, and (c) Government Business.

(a) **Corporate and Financial Institution Group (Corp and FI Segment):** This team primarily services the large and medium-sized corporates and financial institutions.

(b) **The Branch Banking team (BAG Segment):** This team focuses on leveraging the branch network and meeting the transaction banking requirements of clients with a primary sales focus on SMEs, corporate agricultural and emerging enterprises group clients.

(c) **The Government Business team (GB Segment):** This team is responsible for providing transaction banking services to various Government ministries and departments and union territories.

Products and Solutions Group: This team is responsible for improving customer experience and supporting the sales teams in client or product pitches. This includes separate teams for key transaction banking products and solutions in areas such as current account, cash management services (CMS), trade, forex and derivatives, tax and Government products as well as teams for managing portfolios and analytics. The group has product specialists in CMS, trade, forex and derivatives across regions to disseminate product knowledge and best practices to the relationship managers. Custody, corporate account and capital market services also form part of this group.

Customer Service Group: This team is responsible for servicing customers at branches for primarily trade, forex and CMS. The team has been formed by restructuring the existing field and branch staff from the Trade Finance Centre, trade and foreign exchange operations (excluding Trade Finance Centre), GTSD service relationship managers, trade service group and Government business nodal officers.

Government Business

The Bank was the first private sector bank to be authorised by the Government and RBI for the collection of commercial taxes in Andhra Pradesh. The Bank is authorised by the RBI and the Government by its letter DGBA.GAD.No. 218/42.01.001/2003-04 dated 27 August 2003 to handle all Government banking transactions which including the following:

• collection of sales tax, pension payments on behalf of the state government;

• collection of direct and indirect taxes;

• disbursement of central civil as well as non-civil (including the railways, defence, telecommunication and posts) pensions; and

• processing payments on behalf of various ministries and Government departments.

Smart City Initiative

Smart Cities Mission is an urban renewal and improvement programme established by the Government of India (the GoI) with the objective to develop 100 cities across the country, making them citizen-friendly and self-sustainable. The Union Ministry of Urban Development of the GoI is responsible for implementing this mission in collaboration with the state governments of the respective cities.

Axis Bank is strongly aligned with this national mission and is involved in facilitating digital transactions and payments for various stakeholders, which include citizens, government bodies and utility companies. It includes providing easy payments and e-Governance services to various government and non-government bodies using advanced technological products such as mobile applications, web portals, pre-paid cards, electronic data capture terminals and mobile handheld devices.

Axis Bank has been selected as the implementing agency for the Raipur Smart City project in Chhattisgarh, expected to benefit over 1.2 million individuals. The Bank's scope of work broadly involves:

• the design and delivery of a Smart Card-based cashless payment system for citizens within the periphery of Raipur Smart City; and

• the design, development and hosting of a web and mobile portal for Raipur Smart City with citizen-centric services supply, integration and maintenance of POS/Micro ATMs **(Automatic Teller Machines)** at specified locations for payment acceptance for municipal taxes, utility payments and other services.

Public Financial Management System

The Bank is a participating entity in the Government's Public Financial Management System (**PFMS**). PFMS is a financial management system of the Planning Commission of India which is being implemented by the Office of the Controller General of Accounts, Ministry of Finance, in partnership with NIC Technology, Inc. PFMS monitors different social sector programmes in India and tracks the disbursement of funds in relation to such programmes, using an online management information system and decision support system. PFMS has been used to administer approximately 247 Centrally Sponsored Schemes, more than 644 Central Sector Schemes, and several State Government programmes and "Additional Central Assistance" programmes of the Government.

e-Governance Initiatives

The Government and State Governments have undertaken e-Governance initiatives aimed at providing better citizen services by setting up integrated Citizen Facilitation Centres. The Bank is proactively seeking opportunities to participate in e-Governance initiatives and associated with the e-Governance initiatives of five states and union territories, namely Andhra Pradesh (e-Seva), Karnataka (Bengaluru One and Hubli-Dharwad One), Chandigarh UT (Sampark), Chhattisgarh (CHOiCE), Uttar Pradesh (e-Suvidha).

The total Government business turnover handled by the Bank for the year ended 31 March 2018 was Rs. 0.99 trillion.

As at 31 March 2018, the current accounts balance with the Bank was Rs. 95,650 crores compared with Rs. 87,002 crores as at 31 March 2017. For the year ended 31 March 2018, the current accounts balance on a daily average basis was Rs. 60,154 crores compared with Rs. 48,800 crores for the year ended 31 March 2017. In line with the Bank's vision to provide complete financial solutions, there was a greater focus on acquisition of high value current account customers in the fiscal year of 2018. The total number of current accounts with the Bank as at 31 March 2018 was 1.9 million.

For the year ended 31 March 2018, the average daily balance and fee earned from current accounts availing cash management services (collections and payments) by the Bank was Rs. 127.7 billion and Rs. 1.9 billion, respectively.

As at 31 March 2018, the Bank maintained assets worth Rs. 58,224 crores across 65 institutional clients under its custodial business. The Bank provided depository participant services to 3,937 corporate and broker clients as at 31 March 2018 as compared to 3,763 accounts as at 31 March 2017. The net income earned from the custodial services and corporate demat business during the fiscal year of 2018 was Rs. 90.3 million. The clients using custody services maintained an average balance of more than Rs. 391 crores during the fiscal year of 2018 in their maintained current accounts.

2. TREASURY

The Treasury manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. As part of liquidity management, the department invests in sovereign and corporate debt instruments, commercial paper, mutual funds and floating rate instruments. The department also undertakes proprietary trading in equity, fixed income securities, foreign exchange, currency futures and options. Apart from proprietary trading, the department also offers a wide range of treasury products and services to customers, including derivative instruments such as forward contracts, interest rate swaps, currency swaps, foreign currency options and remittances.

Funding and Asset Liability Management

The Treasury manages short-term liquidity through short-term borrowings such as overnight inter-bank borrowings, collateralised borrowing and lending obligations (**CBLO**), repo, re-discounting bills and through other money market operations. The Bank raises foreign currency borrowings from local banks and foreign counterparties. The Bank also raises retail foreign currency deposits from NRIs at rates regulated by the RBI.

The Treasury ensures day-to-day funding for branch operations and asset build-up. Since the CRR balances earn no interest from the RBI, the funding desk also ensures that only optimal CRR balances are maintained and that additional surpluses are deployed in the form of short-term investments in commercial paper, certificates of deposit (**CDs**) or debt schemes of mutual funds.

The Treasury measures and monitors the spreads of the Bank. Yields on assets and cost of funds are monitored on an ongoing basis. Maturity profiles of new deposits are adjusted to ensure that the Bank reaches its targeted spreads and that its liquidity profile remains comfortable.

The asset liability management group considers suitable hedging options for items on the balance sheet at appropriate times to protect or increase the Bank's spreads.

Trading Operations

The Treasury manages integrated trading operations in foreign exchange and domestic money markets. It is responsible for maintaining regulatory reserves and using the trading portfolio to earn profits through exchange income and capital gains.

The investment policy is designed to address the following:

• compliance with regulatory requirements;

• guidelines for taking exposure in various debt instruments; and

• risk mitigation.

The Treasury maintains the RBI-mandated SLR requirements in the form of investments in Government bonds and treasury bills. This portfolio is actively managed and churned and, depending on an internal view of interest rates, surpluses are maintained in the trading book. The Treasury uses these surpluses to take advantage of favourable movements in interest rates to book capital gains on the investment book. In accordance with the RBI guidelines, investments are categorised as "Held for Trading", "Available for Sale" and "Held to Maturity".

The size of the Bank's equity portfolio is restricted by a ceiling imposed by the RBI on the capital market exposure of banks to 40 per cent. of their net worth as at 31 March of the previous year. The Bank's aggregate limit for exposure to the capital markets for the fiscal year of 2018 was Rs. 23,752 crores (40 per cent. of its net worth as at 31 March 2017, as adjusted for subsequent capital injection). The Bank's exposure to the capital markets (as defined by the RBI) as at 31 March 2018 was Rs. 12,372 crores.

In general, the Bank pursues a strategy of active management of its equity portfolio to maximise its return on investments. To ensure compliance with insider trading regulations of the Securities and Exchange Board of India **(SEBI)**, all dealings in equity investments in listed companies are undertaken by the equity-trading desk, which is securely segregated from the Bank's other business groups.

The Treasury also offers investment options to retail and institutional investors and servicing support through all branches of the Bank. In this regard, the Bank facilitates the holding of Government securities. Commission and trading profits are earned through these transactions.

Foreign Exchange and Derivatives

The trading desk deals in several major currencies and manages the Bank's exposure through foreign exchange and money market instruments and derivatives within the guidelines and limits stipulated by the RBI and management. Appropriate internal limits for counterparty and currency exposure are in place. The Bank is a market maker in the spot and forward exchange markets, swaps and options.

The Bank offers both off-the-shelf and specifically structured products to its customers to meet funding and risk management requirements in foreign currencies.

The Bank offers forward contracts to customers to hedge against exchange risk on foreign currency receivables and payables, usually of up to one year. The Bank also acts as market maker in interest rate and currency swaps for proprietary trading and customer hedging. Commission and exchange income is earned from such transactions. As at 31 March 2018, the Bank had Rs. 3,14,802 crores in outstanding forward contracts and Rs. 2,55,412 crores in outstanding derivatives contracts.Profit on exchange/derivatives transactions (net) increased from Rs. 10,802.46 million for the year ended 31 March 2017 to Rs. 14,286.96 million for the year ended 31 March 2018.

Debt Capital Markets (DCM)

The Bank continues to remain a dominant player in the debt capital market segment. In fiscal year of 2018, the Bank was arranger for Rs. 1,89,103 crores bonds and debentures for various PSUs and corporates. The Bank has been ranked number one in the Bloomberg league table for domestic bonds in India for 11 consecutive calendar years (as at 2018) and for the quarter ended 31 March 2018. The Bank has also been ranked number one arranger according to the PRIME Database for the period ending 31 March 2018.

Furthermore, the Bank started an international debt capital markets business and has been a leader in this segment covering U.S.$ and EUR-denominated bonds, masala bonds and green bonds among others. The Bank became the first Indian entity to issue internationally listed certified dollar denominated green bonds in June 2016. The Bank was also the lead manager in the very first masala bond issued by one of the leading housing finance companies and in relation to the first green masala bond issued by one of the major public sector utility companies.

During the fiscal year of 2018, the Bank was awarded "Best DCM House" in India by Finance Asia and "Best Bond Adviser – Domestic India – 2017" at the Asset Triple A Country Awards. In that same fiscal year, the Bank was also ranked among the top banks in the secondary market in Asia currency bonds (India) Corporate Bonds by The Asset Benchmark Research.

While the Bank continues to handle the debt syndication activities described above, the investment banking activities relating to equity capital markets, mergers and acquisitions, and private equity advisory business are now conducted by the Bank's wholly owned subsidiary, ACL. See "– Subsidiaries" below.

Delivery Channels

The Bank distributes its products and services through various access points ranging from traditional bank branches to ATMs, call centres for telephone banking, mobile banking and the Internet. The Bank's channel migration effort is aimed at reducing costs while enhancing customer satisfaction levels by providing customers access to their accounts at all times.

Branch Network

As at 30 September 2018, the Bank had a network of 3,882 branches and RAC's and 12,660 ATMs covering 2,269 centres across India. As at 30 September 2018, the Bank's geographical reach extended to 29 states and 6 union territories, covering 653 districts. The Bank undertakes a detailed study of the demographic factors of an area to assess its business potential before setting up a branch. Branch premises are generally leased. Back-office operations are centralised at a central processing unit in Mumbai, allowing the Bank's branch network to focus on business acquisition and expanding customer relationships.

Overseas Operations

India's growing integration with the global economy has given rise to opportunities to leverage the Bank's strengths in overseas markets. In order to participate in the growing trade and investment flows between India and other major financial centres of Asia, the Bank has established branches in Singapore, Hong Kong, the Dubai International Financial Centre (DIFC) in the UAE, Shanghai in China, Colombo in Sri Lanka, representative offices in Dubai, Abu Dhabi and Sharjah in the UAE, and Dhaka in Bangladesh. The Bank also has an off-shore banking unit in the IFSC and GIFT City in Gandhinagar in Gujarat. The total assets (net of interbranch adjustments) at the Bank's overseas branches amounted to Rs. 61,008 crores, which constituted 8.82 per cent. of the Bank's total assets as at 31 March 2018.

The Bank also has a wholly owned subsidiary in the United Kingdom called Axis Bank UK Limited (ABUK), which is authorised by the Prudential Regulatory Authority (PRA) and regulated by the FCA and the Prudential Regulatory Authority. The PRA is responsible for prudential regulation and supervision of banks, building societies, credit unions and major investment firms. The FCA regulates the conduct of firms that provide financial products and services. The UK subsidiary commenced banking operations on 19 April 2013. The total assets of ABUK stood at U.S.$1,040 million as at 31 March 2018.

Internet Banking Services

The Bank offers an internet banking platform to its customers which has more than 150 features. Through the platform, customers can view accounts, loans, credit cards, forex prepaid cards, demat details and can utilise services such as cross-border remittances, fund transfers, bill payments, initial public offering (IPO) applications and mutual fund applications. In addition, the Bank offers an online direct debit facility to customers for purchase of products and services through a host of online merchants in the e-commerce space.

As of 31 March 2018, the registered user base for internet Banking was 6.2 million. The Bank was awarded the prestigious Best Retail Online Banking Experience India award at The Asset Triple A Digital Awards 2017, in Hong Kong.

Considering the emphasis on increasing the digitisation of services, the internet banking channel launched instant credit card, instant personal loan, mutual funds buy and sell, IPO purchase and book locker functionalities. Digitisation of services which results in cost savings is an important focus area. Services include the ability to update the details of personal profiles, change purchase limits on cards, access certificates for online tax filing saving customers the inconvenience of going to a branch to manually forms complete. The internet banking channel aims to create a complete digital experience for the Bank's ever-growing customer base and to cater for all its customers' needs.

Mobile Banking

The Bank's mobile banking channel has emerged as a convenient option for customers to access their account information anytime. Through the Axis mobile application, customers can use their account with the Bank to make bill payments, transfer funds, recharge prepaid mobile phones, create and liquidate deposits, log requests for cheque books, stop cheques and change card PINs via the mobile phone application. Customers can also make payments to merchants via their mobile banking applications. Furthermore, the Bank has been a pioneer in launching remittance services like the InterBank Mobile Payment Service for account to account transfers and merchant payments. Axis Mobile application offers more than 100 transaction services and the Bank was recently ranked 12th in the world in the 2018 Forrester survey.

The Axis Mobile application is available for all retail saving accounts, select current accounts, NRI savings accounts, credit cards, Forex and loan customers. With the launch of the Axis ASAP digital account, anyone can download the Axis Mobile application to instantly create an Axis Account using Aaadhaar. With a focus on customer centric design and intuitive user experience, the Axis Mobile customer base has grown to 6.7 million as of 31 March 2018. The usage of the Bank's mobile banking application increased from 22 per cent. in the fiscal year of 2017 to over 31 per cent. in the fiscal year of 2018. The mobile banking user base experienced a 72 per cent. increase in the fiscal year of 2018 and the Bank was ranked no. 1 in mobile banking transaction value in August 2017 and October 2017 by the RBI.

SMS banking has become the Bank's second most frequently used alternative delivery channel. The total number of subscribers as of 31 March 2018 was approximately Rs. 20 million for SMS alerts.

The Bank has built a strong platform and developed a user-friendly application programming interface that allows partners and start-ups to plug and play Axis Unified Payment Interface (UPI) on their mobile interface. As of 31 March 2018, the platform is available to Google TEZ, Uber, Samsung Pay, LIC, IRCTC and Big Bazaars.

Conversational Banking (Chat Bot)

Axis Aha! is an AI-powered conversational banking channel which can respond to voice or text inputs and determine the intent of the user in a fraction of a second. Axis Aha! is designed to resolve customer queries, assist with transactions and service requests, such as fund transfers, cheque book requests, card blocking requests, managing debit card limits, paying credit card and utility bills and recharge mobile phone credits.

Sales Channel

The Bank employs a frontline sales force for its liability products. The sales force, which sells a variety of liability products, as of 31 March 2018, contributes approximately 61 per cent. of demand deposits from new acquisitions and approximately 88 per cent. of the total number of account acquisitions of the Bank and is a critical resource in the Bank's aggressive customer acquisition strategy. The sales force also sources fee generating third party products along with a wide range of asset products. This sales force comprised over 15,095 employees as at 31 March 2018 and operates on a performance-based remuneration package. Members of the sales channel are based at all branches and extension counters, and their performance is monitored by the Bank's administrative units that control clusters of branches (Circles), as well as the Bank's corporate office. As of 31 March 2018, the Bank had 26 Circles.

Operations

The Bank's business model separates production and distribution functions within the Bank, with transaction processing and customer databases (production technology) becoming increasingly centralised and product sales and customer handling (distribution technology) being the primary function at the branches. The separation of functions has helped reduce transaction costs as well as to help ensure smoothness in operations and increased productivity. Refinement of operational processes is an ongoing activity from the perspective of implementation of best practices, risk identification and containment. Correspondingly, operational instructions are also revisited on an ongoing basis and necessary changes made to minimise risks at the branches.

Branch Banking Operations

The Branch Banking Operations (**BBO**) division of the Bank provides the strategic underpinning to support delivery of best-in-class customer service at branches through the leveraging of technology, knowledge and skills.

All of the branches of the Bank are grouped into Circles and have a close working relationships with the BBO teams at the Circles, who provide assistance to branches and extend support to all functions and businesses that operate in the branch.

The oversight function of the Bank is strengthened through the centralised monitoring of retail branch operations with focus on KYC and anti-money laundering (**AML**) and other statutory and regulatory directives, management of clearing operations and internal house keeping with the objective of ensuring compliance and operational efficiencies while delivering operational efficiency and customer service.

The Bank has been appointed a primary clearing house for certain locations and also provides business continuity solutions in times of disasters via clearing house operations at specified locations A global help desk with a built-in escalation matrix has also been set up to provide online solutions to branches for immediate resolution of customer queries and complaints.

The Bank provides its employees with on-the-job skills enhancement training and assessments, supplemented by formal interactive classroom sessions with the BBO functionaries. The Bank also disseminates knowledge via circular guidelines and periodic bulletins.

Through constant refinement of operational processes during the year from the perspective of implementation of best practices, risk identification and containment BBO continues to streamline and standardise processes to facilitate seamless delivery of customer service, ensuring regulatory compliance.

Wholesale Banking Operations

Wholesale Banking Operations is responsible for providing best-in-class services to non-retail customers of the Bank through four vertical operations: Corporate Banking Operations, Treasury Operations, Transaction Banking Operations and Transaction Banking Services.

Corporate Banking Operations

Corporate Banking Operations **(CBO)** is responsible for credit delivery and post-disbursement control, monitoring and administration of the credit portfolio consisting of the CRG and SME segments. CBO operates through corporate banking branches **(CBBs)** located at eight major cities, 59 corporate credit service units **(CCSUs)** mostly at Tier II cities, corporate credit management centres **(CCMCs)** at six major centres (mostly aligned with the SME Geographies) and centralised corporate credit hubs **(CCCH)** at Mumbai. CCMCs operate on a distance handling mechanism and handle a large chunk of the credit portfolio pan-India. CBO also processes transactions pertaining to the Supply Chain Channel Finance business, through a dedicated set-up in the form of the Channel Finance Hub **(CFH)**. Besides this, the Corporate Loan Onboarding and Processing **(CLOP)** department handles account opening, sets various limits and maintains the CRG and SME businesses of the Bank. Both the CFH and CLOP segments are part of the CCCH.

With an objective of sharper focus on customer service, certain back-end monitoring activities have been shifted to CCMCs from CCSUs under whose control CCSUs fall and from CBBs to CCCH, respectively.

The Ministry of Textiles has appointed the Bank as a "nodal bank" for granting eligibility approvals under the Technology Upgradation Fund Scheme **(TUFS)**. A TUFS Cell has been set up within Corporate Banking Operations to handle the eligibility process and subsidy claims under the scheme. The TUFS Cell is vested with the responsibility of examining and establishing the eligibility and lodgment and dispensation of capital and interest reimbursement under different forms of TUFS along with six other Government subsidy and guarantee schemes.

Transaction Banking Operations

The Transaction Banking Operations **(TxBO)** is responsible for supervising, monitoring and controlling the operations relating to international trade, retail forex, financial institutions, domestic trade, cash management services and on-boarding activities (related to non-individual accounts and CMS) of the Bank through centralised knowledge processing centres namely 'Trade Finance Centre', 'Retail Forex & Remittance Centre', 'Financial Institutions Operations Centre', 'SWIFT Centre', 'Domestic Trade Finance Centre', 'Legal Vetting & Transaction Approval Centre', 'Centralised Collection & Payment Hub' and 'Corporate On-Boarding Centre' respectively. The state-of-the-art centralised processing centres are located in Mumbai with Hyderabad, Noida and Kolkata units, acting as business continuity centres. The trade finance operations of all overseas branches of the Bank have also been centralised at Trade Finance Centre, Mumbai. TxBO is responsible for ensuring compliance with product related regulatory and internal guidelines and efficient customer delivery within the agreed turnaround time to facilitate achievement of business targets.

Central Processing Unit

As part of the Bank's initiative to leverage technology, redefine business processes and deliver quality products to its customers with efficiency and cost effectiveness, the Bank set up a central processing unit in Mumbai in December 2001. The central processing unit opens liability accounts of constituents related to individuals, sole proprietorship and trust accounts, retail advance accounts, including rural lending, for all the branches. It is also a single point of contact for all the collateral requirements of the Bank including, but not limited to, welcome kits, debit cards, credit cards, cheque books and account statements. CPU also handles the bankwide logistical activities for internal as well as external customers.

Operational Controls and Procedures in Branches

An operational framework has been established to ensure that transactions are handled with precision, regularity and efficiency in a risk-mitigating manner. Operational instruction manuals at the branches detail procedures for processing various banking transactions. Amendments to these manuals are implemented through circulars sent to all branches.

Any revision in the processes or operating instructions is reviewed by a committee comprising representatives from all functional and business groups. Adherence to these instructions is continuously monitored by both onsite and offsite inspection mechanisms, complemented by an independent internal audit process.

The transaction processing in the core banking software used by the Bank is based on the "maker and checker" concept, whereby no transaction can be initiated and authorised by a single individual. The power to authorise transactions is exercised by officials in accordance with a scheme of delegation of powers, and monetary limits are incorporated as authorisation levels in the software, which validates each payment.

Operational Controls and Procedures for Internet Banking

Internet banking services are provided only in respect of existing customer accounts for which the necessary identity documentation has been obtained prior to providing the customer with a user identity and password to access its account online. The Bank has in place a two-factor authentication system for inter-banking transactions called "NetSecure". As an additional control feature, the Bank has also implemented a risk-based (adaptive) authentication system for all retail Internet banking users.

Operational Controls and Procedures in (CPU)

The centralised system has assisted the Bank with establishing a standard, uniform interpretation of all the regulatory guidelines and has helped put in place precautionary controls. Additionally, the Bank has also established a regular review process over the activities of vendor locations.

Competition

The Bank faces strong competition in all of its principal lines of business. The Bank's primary competitors are large public sector banks, other private sector banks, foreign banks and in some product areas, development financial institutions.

Corporate Relationship Group, SME

The Bank's corporate banking products and services face competition from a number of banks and financial institutions. Public sector banks, which pose major competition to the Bank, have a significant history of operations. These competitors have, over time, built extensive branch networks, providing them with the advantage of a low-cost deposit base, and enabling them to lend at competitive rates. In addition, the extensive geographic reach of many of these institutions enables product delivery in remote parts of the country. The Bank seeks to compete with these banks through faster response to customer requirements, quality of service, a fast growing inter-connected branch network and technology-enabled delivery capabilities.

Other private sector banks also compete in the corporate banking market on the basis of efficiency, service delivery and technology. However, the Bank's management believes that its product portfolio, credit selection strategy, response time, service quality and the strength of its established relationships, provide it with a competitive edge over these other private sector banks.

The Bank also faces competition from foreign banks, who traditionally having been active in providing trade finance, fee-based services and other short-term financing products to top-tier Indian corporations. The Bank has established strong ties in trade finance, strong fee-based cash management services and competes with foreign banks through its broader branch network in the country, innovative products and competitive pricing.

To address the consequences of competition, the Bank has renewed its focus on transaction banking building on its IT infrastructure and with an intent to deepen relationships with its corporate relationships across all banking products.

Retail Banking

In retail banking, the Bank's principal competitors are the large public sector banks, which have much larger deposit bases and branch networks, as well as aggressive new private sector banks and the foreign banks. The retail savings deposit share of foreign banks in India is quite small in comparison to the public sector banks, and has declined in the last five years, which the Bank's management attributes principally to competition from new private sector banks. However, some foreign banks have a significant presence among NRIs and also compete for non-branch-based products such as auto loans.

The Bank faces significant competition primarily from foreign banks in the debit card segment. In mutual fund sales and other investment-related products, the Bank's principal competitors are brokers, foreign banks and new private sector banks.

Treasury

In its treasury advisory services for corporate clients, the Bank competes principally with foreign banks in foreign exchange and derivatives, as well as public sector banks in the foreign exchange and money markets businesses.

Compliance

The Bank's Compliance Department (CD) is headed by the Chief Compliance Officer (CCO) who reports to the Executive Director – Corporate Centre (ED-CC) administratively with a right to approach the Audit Committee of the Board and the Board directly.

The Compliance function is tasked with managing and monitoring all guidelines and communication received from the regulators. The Compliance Department identifies all new regulations to ascertain their impact on compliance risk. These are communicated to the Audit Committee of the Board and/or the Board. A quarterly Chief Compliance Officer's Report under the theme 'Compliance' is placed to the ACB/Board to exercise sufficient oversight.

The regulatory universe is created in the SAS Enterprise Governance Risk and Compliance engine with Risk Control Matrix (RCMs) for each applicable regulation of all applicable regulators. Every RCM contains details of risk, and description of internal controls with design attributes (manual/ automated, maker/checker, etc.) tagged to each applicable regulatory line item. The compliance is tested through a risk-based approach by the Internal Audit Department and the Compliance Department. The breaches/action points for systemic enhancements are referred to the ACB for oversight and suggestions, if any.

Transaction Monitoring: The Anti-money Laundering Unit under the Compliance Department carries out the regulator stipulated anti-money laundering activities such as Transaction Monitoring and Risk categorisation. The Bank uses the Financial Crime Detection and Management System, Suspicions Transaction Analysis and Reporting and FIRCO Continuity applications for transaction monitoring purpose. This unit also carries out the activity of regulatory reporting under the Prevention of Money Laundering Act, 2002 and as stipulated in the regulatory guidelines, such as suspicious transaction (STR), and cash transaction report etc.

Financial Crime Management Department (FCMD)

Financial Crime Management Unit (FCMU), which was previously a part of the risk department, has been converted into an exclusive department and renamed as the financial crime management department (FCMD) in August 2014 to focus attention on AML compliance and investigation. Broadly, FCMD performs the following sets of activities:

- fraud risk management – involves organising fraud investigations, fraud analysis and reporting, ascertaining staff accountability, consistent monitoring of transactions and newly opened accounts to identify suspicious transactions and accounts and prevent fraudulent activities, regulatory reporting, senior management and Board reporting, sharing of fraudrelated information with other departments, trend analysis and pattern recognition on suspected or attempted fraud and proactively upgrading system capabilities for fraud management;
- risk rating and profiling of customers.

Internal Audit Department

The Bank's Internal Audit function provides an independent assurance to its Board of Directors and senior management on the quality and effectiveness of its internal controls, risk management systems, governance systems and processes on an ongoing basis. This is to ensure that the audited units comply with both internal and regulatory guidelines. In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted what it considers to be a robust audit policy. The RBIA has been designed following factoring regulatory guidelines and also international best practices. The policy has a well-defined architecture for conducting RBIA across all audit entities. The audit policy of the Bank focuses on strategic and emerging business risks, which forms a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in sync with the risk profile of each unit to be audited. This is in accordance with guidelines relating to RBIA. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, regulatory compliances and also the evaluation of the risk residing at the audit entities. Further, with a view to strengthening the effectiveness of the audit function, concurrent audits, thematic reviews and integrated audit reviews have been added to the functional scope of internal audit.

The Internal Audit Department functions independently under the supervision of the Audit Committee of the Board, thereby ensuring its independence. The Board reviews the efficacy of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal as well as external regulatory guidelines. This is in alignment with the best global practices on corporate governance.

Intellectual Property

The Bank utilises a number of different forms of intellectual property in its business including its AXIS BANK brand and the names of the various products it provides to its customers. The Bank has made applications for registration of its AXIS BANK brand name and certain other trademarks, including words and logos with the relevant trademarks registry in different geographies where the Bank has operational presence and in some geographies the bank has completed the formalities of registration, while few of the applications are currently pending. Except as disclosed above, the Bank believes that it currently owns, has licensed or otherwise possesses the rights to use, all intellectual property and other proprietary rights, including all trademarks, domain names, copyrights, and trade secrets used in its business.

Employees

The Bank believes that employees are its most important asset. The Bank is an equal opportunity employer and is committed to hiring, developing and promoting individuals who best meet the requirements of available positions, possess the required competencies, experience and qualifications to carry out assigned tasks, and have the potential for growth within the organisation.

As at 31 March 2018, the Bank had 59,614 employees, compared with the 56,617 employees as at 31 March 2017.

Information Technology

The IT Department of the Bank manages all banking applications through a central team having strong domain capabilities in banking, treasury, channels, payments and collections, along with technical capabilities. The IT operations are managed through a cross-functional team involving functional and technical experts.

The Bank undertook various technology-enabled business initiatives to deliver improved customer experience, ease of banking and operational excellence to its customers. Technology has enabled the Bank's customers to access all products of the Bank through a seamless multi-channel integration system. The Bank has been focusing on 'digitisation' of its back-end processes and providing its customers with digital and mobile banking services. The Bank is also focused on further improving its governance and compliance processes in its IT division.

The IT Plans are guided by the principles of improving customer service with the help of digital banking, leveraging the Bank's Payments business capability, sustained focus on Analytics, improved tie-ups with government agencies/departments, providing self-assisted capability to customers, efficient sales channels, a transformed branch experience, operations excellence and improved risk position.

The Bank has set up an enterprise-wide payment hub to process payments in both domestic and foreign currency. Furthermore, in the near future the bank is planning to add specialised services and features surrounding the payment ecosystem.

The network infrastructure of the Bank is centralised and operates from two data centres located in Navi Mumbai and Bengaluru. The applications are delivered to the domestic and overseas branches and offices through a wide-area network consisting of leased and multiprotocol label switching (**MPLS**) connectivity.

During the fiscal year of 2018-19, the Bank plans to continue its significant IT transformation to further strengthen its IT architecture in tandem with its future growth. The Bank also utilises leading technology like blockchain, artificial intelligence, machine learning, the robotic process automation in multiple areas like trade finance applications, and process automations in Retail and Corporate Banking processes. This has enabled the Bank to enhance process efficiencies by increasing automation.

Data Centre and Disaster Recovery Site

The Bank's primary data centre is at a co-hosted data centre located in Mahape, Navi Mumbai. The data centre in Mahape is a tier IV data centre and is considered to be in compliance with the highest benchmarking standards applicable to data centres with built-in redundancy systems composed of multiple active power and cooling distribution paths. The data centre is fault tolerant, providing 99.995 per cent. availability. The Bank also has a hot site disaster recovery data centre in Bengaluru that is connected to the main data centre. It has the capability to host critical banking applications in the event of a disaster at the primary site. The Bank regularly conducts disaster recovery drills for critical applications to ensure continuity of its operations in the event of disaster.

All applications and data of the critical banking applications supporting banking transactions and customer services are replicated at the disaster recovery site on a real time basis. The disaster recovery site is connected through a redundant wide-area network to the Mumbai data centre, all branches and offices. Scheduled drills for switching IT operations to the disaster recovery site are conducted at regular intervals to test disaster recovery readiness.

Information Security

Technology risks in the Bank are periodically assessed and appropriate actions initiated wherever necessary through a dedicated Information Security Group, with support from a managed security service from an external security expert company. The Bank has well-defined information systems and cyber security policies drawn on the basis of ISO standards, regulatory guidelines and industry best practices. All of the Bank's systems and applications undergo various security tests, such as vulnerability assessments, penetration tests and application security tests before going into production.

The Bank has received the ISO 27001:2013 certification from the British Standards Institution (ANABaccredited) for complying with the standards of the Information Security Management System for its two data centres located in Navi Mumbai and Bengaluru. The Bank is also in compliance with the Payment Card Industry Data Security Standards (PCI DSS) in relation to handling of credit cards to protect card-related data. The Bank has also implemented all the recommendations of "Report on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds" mandated by RBI. The Bank has also implemented the Cyber Security Framework in Banks as directed by the RBI.

Legal Proceedings

The Bank is not a party to any proceedings which, if adversely determined, might have a material adverse effect on its financial condition or results of operations. However, the Bank is involved in legal proceedings, including criminal cases, before various courts and other forums in the ordinary course of business and its usual course of banking.

Competitive Strengths

The Bank considers the following to be its principal competitive strengths:

Positive growth in net interest and fee income, reflecting the strength and diversity of the Bank's core earning streams

The Bank offers a wide range of products that generate interest and fee income, both of which have positive growth. In the years ended 31 March 2016, 2017 and 2018, the Bank had net interest income growth of 18.34 per cent., 7.49 per cent. and 2.90 per cent., respectively, and fee income growth of 10.67 per cent., 5.07 per cent. and 12.50 per cent., respectively. The Bank believes that its combination of diverse product offerings and a customer-focused approach has enabled it to structure solutions to meet its customers' needs, resulting in sustained revenue generation, even in recent difficult market conditions.

Strong presence in the Indian retail banking market through its nationwide distribution network, expansion of the Bank's product and customer base, and the provision of high-quality customer service

The Bank has a nationwide distribution network with one of the largest number of branch outlets among private sector banks in India. As at 30 September 2018, the Bank had a network of 3,882 branches and extension counters and 12,660 ATMs spread over 2,269 centers in India. Since commencing operations in April 1994, the Bank has grown in terms of its physical network of branches, extension counters and ATMs. This extensive nationwide network provides the Bank with a strong sales platform, which enables the Bank to cross-sell its products and to deliver high-quality and convenient services.

The Bank offers a wide array of traditional asset and liability products and services to its customers and is continually working to offer additional products that are specially tailored to meet the needs of the Bank's diverse customers. The Bank provides Internet and mobile banking services that offer 24-hour access to customer accounts and the ability to conduct routine banking transactions, such as online bill payment and application for lines of credit remotely. In addition, high-quality customer service has always been a top priority for the Bank. To improve the customer experience, the Bank provides regular staff training in customer service and engages third party consultants to assess the quality of service that the Bank provides to its customers.

The Bank believes that its convenient locations and services, as well its high-quality customer service, provide incentives for its customers to open and maintain accounts with the Bank.

Access to low-cost funds

The Bank enjoys a low-cost deposit base achieved through targeted branch network expansion and customised product offerings. The Bank's target depositor base consists of retail depositors and SMEs that the Bank believes choose the network because of the convenience of its branch locations, convenient access to ATMs and remote banking services, as well as diverse product offerings. As at 31 March 2018, the Bank had 13,814 ATMs, representing the second largest ATM network in India according to the Bankwise ATM/point-of-sale (POS) card statistics published by the RBI. In addition, as at 31 March 2018, the Bank had low-cost deposits (savings and current account deposits) totalling Rs. 2,43,850 crores. The Bank's broad-based distribution network, which includes the Bank's branch network and alternative delivery channels, provides the Bank with access to these depositors, which in turn allows the Bank to maintain low-cost funding through customer deposits.

Continued focus on improvement in asset quality through disciplined credit risk management

As at 31 March 2016, 2017 and 2018 gross NPAs totalled Rs. 6,088 crores, Rs. 21,280 crores and Rs. 34,249 crores, respectively, while net NPAs totalled Rs. 2,522 crores, Rs. 8,627 crores and Rs. 16,592 crores, respectively. The Bank strengthens its risk management and internal control capabilities on an ongoing basis by improving its policies and procedures and introducing sophisticated risk management tools. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies. The Bank is in full compliance with Basel III and has implemented new credit risk assessment models, independent validation of internal ratings and has put in place a risk data management framework to improve the quality of loan data. The Bank also conducts regular stress tests based on a number of economic scenarios and assesses the likely impact on capital and earnings. The results of these tests are periodically presented to the Risk Management Committee under the Board of Directors. See "Risk Management".

Financial position

For the year ended 31 March 2018, the Bank reported a cost-to-income ratio of 47.29 per cent., and a net interest margin of 3.44 per cent. on a daily average balance basis. As at 31 March 2018, the Bank's capital adequacy ratio under Basel III capital regulations was 16.57 per cent., which was well above the RBI minimum requirement of 10.875 per cent. (including capital conservation buffer of 1.875 per cent.) . In the fiscal year of 2018, the Bank raised Rs. 8,680 crores by issuing shares and warrants to Bain Capital, Life Insurance Corporation of India and other investors. In the fiscal year of 2018, it also allotted 45.4 million of share warrants exercisable within a period of 18 months, which, upon conversion, will add Rs. 2,560 crores to the CET I capital of the Bank. The Bank's capital position, as measured by its overall and Tier I capital adequacy ratios, allows the Bank to take advantage of significant growth opportunities in the market.

Advanced use of technology for cost efficiency and effective delivery of products and services to the Bank's customers

The Bank's IT strategy has supported business initiatives by continuously updating technology and process platforms. By establishing an IT system that effectively integrates customer service channels, Internet banking, customer service systems and telephone banking including personalised mobile banking and information platforms, the Bank is able to provide its management team with relevant financial and operational data on a real-time basis and better serve the Bank's customers in an efficient and effective manner. In the fiscal year of 2018, the Bank acquired Freecharge Payment Technologies Private Ltd. and ASPL for Rs. 3.98 billion with the goal of improving the digitisation of its financial services.

Experienced management team

The Bank's senior management team comprise career banking professionals who have significant experience in the banking and financial services sector. The rest of the senior management team has strengths in key areas including retail, corporate and international banking. The depth and breadth of the management team's expertise enable the Bank to make strategic management and operational decisions. The Bank nurtures a culture which allows it to adapt quickly to changing market conditions and respond to changing customer requirements. The Bank's management team has defined a clear, strategic direction for the Bank that will allow it to maintain its position as a leading private sector bank in India and continue delivering strong growth.

RISK FACTORS

Risks Relating to the Business of the Bank

a. *The Bank's business is vulnerable to interest rate risk and volatility in interest rates could adversely affect the Bank's net interest margin, the value of its fixed income portfolio, its income from treasury operations, the quality of its loan portfolio and its financial performance.*

Net interest income (comprising of interest earned minus interest expended) constituted 62.93 percent and 60.75 percent of the Bank's operating income for the financial year ended 31 March 2018 and 31 March 2017 respectively. Interest rates are sensitive to many factors beyond the Bank's control, including the RBI's monetary policy, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. An increase in interest rates applicable to the Bank's liabilities, without a corresponding increase in interest rates applicable to its assets, will result in a decline in net interest income. Furthermore, in the event of rising interest rates, the Bank's borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans with the Bank, particularly if they are able to switch to more competitively priced loans offered by other banks. Any inability of the Bank to retain customers as a result of rising interest rates may adversely impact the Bank's earnings in future periods.

Similarly, in the event of falling interest rates, the Bank may face more challenges in retaining its customers if it is unable to offer competitive rates as compared with other banks in the market. In addition, as a result of the RBI-mandated reserve requirements, the Bank is also more structurally exposed to interest rate risks than banks in many other countries. Under the RBI regulations, the Bank's liabilities are subject to the statutory liquidity ratio (SLR) requirement such that a minimum specified percentage, currently 19.50 per cent, of a bank's net demand and time liabilities (NDTL) be invested in Government securities and other approved securities. These securities generally carry fixed coupons and, in an environment of rising interest rates, the value of Government securities and other fixed income securities decline. Fixed rate bonds formed substantially all of the Bank's SLR portfolio as at 30 September 2018. The volatility in interest rates is reflected in the movement of the semi-annual yield on the ten-year Government bond, which was 6.69 per cent on 31 March 2017, 7.40 per cent on 31 March 2018 and 8.02 per cent on 30 September 2018. The Bank's large portfolio of Government securities may limit its ability to deploy funds into higher yielding investments.

Furthermore, a decline in the valuation of the Bank's trading book as a result of rising interest rates may adversely impact the Bank's future financial performance.

b. *The Bank may not be successful in implementing its growth strategies or penetrating new markets.*

One of the Bank's principal business strategies is to expand into new business and financial services product offerings. New customer acquisition continues to be driven by leveraging on strong relationships and better product offerings, including digital product offerings. This strategy exposes the Bank to a number of risks and challenges, including the possible failure to identify appropriate opportunities and offer attractive new products, the failure to comply with new market and regulatory standards, and the need to hire and retain skilled personnel, among others, each of which would have a potential adverse impact on the Bank's profitability. In the event that the Bank fails to develop and launch new products or services successfully, it may lose any or all of the investments that it has made in promoting them, and the Bank's reputation with its customers would be harmed. In addition, if the Bank's competitors are better able to anticipate the needs of those individuals in its target market, the Bank's market share could decrease and its business could be adversely affected.

c. *The Bank's retail assets portfolio has experienced significant growth in recent years. If the Bank is unable to address credit risk in its retail asset portfolio the Bank's financial performance may be adversely affected.*

The Bank's net retail advances grew 22.90 per cent from Rs. 1,67,993 crores as at 31 March 2017 to Rs. 2,06,465 crores as at 31 March 2018. As part of the Bank's business and growth strategy, it will continue to focus on further growth in its retail banking business. The competition in the retail segment is intense and the Bank's ability to effectively compete in this segment will depend, in part, on its ability to offer a diverse product mix and expand its distribution capabilities. At present, availability of comprehensive credit history reports for new first-time borrowers is limited in India. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. There could be an increase in the Bank's NPAs as it continues to expand its retail loan operations. This may impact the Bank's future financial performance.

d. *The Bank's failure to manage growth effectively may adversely impact the Bank's business.*

In the past, the Bank has witnessed rapid growth in both its infrastructure and its business. The number of branches and extension counters of the Bank grew from 3,304 as at 31 March 2017 to 3,703 as at 31 March 2018 and to 3,882 as on 30 September 2018. Over the same period, the Bank's saving customer accounts grew from 20.23 million to 22.50 million and the Bank's total assets have grown to Rs. 6,91,330 crores as at 31 March 2018. Such growth puts pressure on the Bank's ability to effectively manage and control historical and newly emerging risks. The Bank's ability to sustain growth depends primarily upon its ability to manage key issues such as selecting and retaining skilled manpower, maintaining an effective technology platform that can be continually upgraded, developing a knowledge base to implement the Bank's strategies, and ensuring a high standard of customer service. The inability of the Bank to effectively manage any of these issues may adversely affect the Bank's business growth and as a result, impact future financial performance.

In addition, given the increasing share of retail products and services and transaction banking services in the Bank's overall business, the importance of systems technology to the Bank's business has increased significantly. Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses.

e. *An increase in the Bank's portfolio of Non-performing Assets (NPAs) and the RBI-mandated provisioning requirements may adversely affect its business.*

The Bank's gross NPAs represented 6.77 per cent and 5.04 per cent of gross customer assets (including gross advances and credit substitutes1) as at 31 March 2018 and 31 March 2017 respectively. The Bank's net NPAs, net of provisions, represented 3.40 per cent and 2.11 per cent Of net customer assets as at 31 March 2018 and 31 March 2017 respectively. The RBI had issued revised guidelines on the Resolution of Stressed Assets. Under the revised guidelines, previous instructions on the resolution of stressed assets such as the Framework on Revitalising Stressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, SDR Scheme were withdrawn. This has resulted in higher NPA slippages due to accounts under there schemes losing their standstill benefit. As at 31 March 2018, the provisioning coverage ratio of the Bank was 65.05 per cent pursuant to applicable RBI guidelines. If there is any deterioration in the quality of the Bank's security or further ageing of the assets after being classified as non-performing, an increase in provisions will be required. This increase in provisions may adversely impact the Bank's financial performance.

The RBI assesses compliance by banks with extant prudential norms on income recognition, asset classification and provisioning (IRACP) as part of its supervisory processes. As a part of such review, the RBI may identify divergences in the Bank's asset classification and provisioning as reported in its financial statements. The RBI further requires such divergences to be reported in the financial statements if the divergences exceed a specified threshold as per the RBI norms. The Bank is required to address the divergences and carryout the adjustments in the asset classification and provisioning, if any, arising out of the divergences, in the financial statements of subsequent financial year.

f. *The Bank is subject to capital adequacy requirements as stipulated by the RBI for domestic banks. The Bank's inability to maintain adequate capital due to changes in regulations, a lack of access to capital markets, or otherwise may impact its ability to grow and support its business.*

The RBI has issued guidelines based on the Basel III reforms on capital regulation to the extent applicable to banks operating in India. These guidelines require among other things, higher levels of Tier I capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I and Tier II capital. The Basel III Guidelines also set out elements of regulatory capital and scope of capital adequacy framework, including disclosure requirements of components of capital and risk coverage. The Basel III capital regulation has been implemented from 1 April 2013 in India in a phased manner and is to be fully implemented as at 31 March 2019. This will also align full implementation of Basel III in India closer to the internationally agreed date of 1 January 2019.

Effective from 1 April 2013, the Bank implemented the Basel III capital regulations. The RBI requires Indian banks to maintain a minimum capital to risk-weighted assets ratio (CRAR) of 10.875 per cent. (including a capital conservation buffer of 1.875 per cent.) as on 31 March 2018. The Bank's capital adequacy ratio under Basel III was 16.57 per cent. as on 31 March 2018.

There can be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it. Moreover, if the Basel Committee on Banking Supervision (the Basel Committee) releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect its business, financial condition and results of operations.

g. *The Bank is exposed to large loan concentrations with a few borrowers and default by any one of them would adversely affect the Bank's business.*

As at 31 March 2018, aggregate exposure to the Bank's ten largest borrowers (fund-based) amounted to Rs. 40,461 crores, representing 47.17 per cent of the Bank's total capital of Rs. 85,775 crores comprising Tier I Capital of Rs. 67,476 crores and Tier II Capital of Rs. 18,299 crores. For the same period in the previous year the aggregate exposure to the Bank's ten largest borrowers was Rs. 30,071 crores. The Bank's single largest borrower (fund-based) on such date had an exposure of balance of Rs. 9,196 crores, representing 10.72 per cent of the Bank's capital. Any deterioration in the credit quality of these assets could have a significant adverse effect on the Bank's future financial performance.

h. *The Bank is exposed to various industry sectors. A deterioration in the performance of any of these industry sectors where the Bank has significant exposure may adversely impact the Bank's business.*

The Bank's credit exposure (fund-based advances) to corporate borrowers is dispersed throughout various industry sectors, the most significant of which are infrastructure, power generation and distribution, financial companies, metal and metal products, and real estate, which represented 3.06 per cent, 3.88 per cent, 8.64 per cent, 4.80 per cent and 3.60 per cent, respectively, of the Bank's outstanding fund-based advances as at 31 March 2018. The Bank therefore risks overexposure to particular industry sectors and any significant deterioration in the performance of a particular sector, driven by events not within the Bank's control, such as regulatory action or policy announcements by Government or State Government authorities, would adversely impact the ability of borrowers in that industry to service their debt obligations to the Bank. As a result, the Bank would experience increased delinquency risk which may adversely impact the Bank's financial performance.

i. *A substantial portion of the Bank's loans have a tenor exceeding one year, exposing the Bank to risks associated with economic cycles. If the Bank fails to attract deposits, the Bank could face asset-liability maturity mismatches and in turn, its business may be adversely affected.*

The Bank meets its funding requirements primarily through short- and long-term deposits from retail and large corporate depositors. However, a significant portion of the Bank's assets have longterm maturities resulting in maturity mismatches between assets and liabilities. If depositors do not renew their deposits or the Bank is unable to raise new deposits, the Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect the Bank's business and operations.

As at 31 March 2018, loans with a tenor exceeding one year (based on the RBI's asset-liability management guidelines) constituted more than 79 per cent of the Bank's total loans. The long tenor of these loans may expose the Bank to risks arising out of economic cycles. In addition, some of these loans are project finance loans. There can be no assurance that these projects will perform as anticipated or that such projects will be able to generate cash flows to service commitments under the loans. The Bank is also exposed to infrastructure projects which are still under development and are open to risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact the projected cash flows. There can be no assurance that these projects will perform as anticipated. Risks arising out of a recession in the economy or a delay in project implementation or commissioning could lead to a rise in delinquency rates and in turn, adversely impact the Bank's future financial performance.

j. *Consolidation in the banking sector in India may adversely affect the Bank.*

Mergers among public sector banks may result in enhanced competitive strengths in pricing and delivery channels for merged entities. If there is liberalisation of the rules for foreign investment in private sector banks, this could result in consolidation in the banking sector. The Bank may face greater competition from larger banks as a result of such consolidation, which may adversely affect the Bank's future financial performance.

k. *If the Bank fails to maintain desired levels of customer deposits or loans, its business operations may be materially and adversely affected.*

Customer deposits are the Bank's primary source of funding. However, many factors affect the growth of deposits, some of which are beyond the Bank's control, such as economic and political conditions, availability of investment alternatives and retail customers' changing perceptions toward savings. For example, the Bank experienced a slowdown in its deposit growth in the years following the financial crisis in 2008 due to a combination of factors, including a slowdown of capital flows and high inflation which adversely impacted domestic savings. Year-on-year deposit growth in 2011 to 2012 of 16.31 per cent slowed to 14.77 per cent from 2012 to 2013 and again to 11.22 per cent From 2013 to 2014. Although the slowdown was temporary and the subsequent improved economic conditions resulted in an increase in the deposit growth rate between 2014 and 2015 to 14.77 per cent, with a subsequent slowdown between 2015 and 2016 to 11.02 per cent, an increase between 2016 and 2017 to 15.76 per cent and thereafter an slowdown between 2017 and 2018 to 9.47 per cent, there can be no assurance that such a global slowdown will not occur again. Moreover, in a favourable economic environment, retail customers may reduce their deposits and increase their investment in securities for a higher return, while micro, small- and medium-enterprise (SME) and mid-corporate customers may reduce their deposits in order to fund projects in a favourable economic environment. If the Bank fails to maintain its desired level of deposits, the Bank's liquidity position, financial condition and results of operations may be materially and adversely affected. In such event, the Bank may need to seek more expensive sources of funding, and it is uncertain whether the Bank will be able to obtain additional funding on commercially reasonable terms as and when required, or at all. The Bank's ability to raise additional funds may be impaired by factors over which it has little or no control, such as deteriorating market conditions or severe disruptions in the financial markets.

l. Regulations in India requiring the Bank to extend a minimum level of loans to certain sectors, including the agricultural sector, may subject the Bank to higher delinquency rates.

The lending norms of the RBI require every scheduled commercial bank to extend at least 40.00 per cent of its adjusted net bank credit to certain eligible sectors, such as agriculture, small scale industries and individual housing finance (up to Rs. 2.8 million) (which are categorised as "priority sectors"). As at 31 March 2018 the Bank's lending to priority sectors accounted for 38.90 per cent Of adjusted net bank credit, with 12.52 per cent of net credit going to the agricultural sector, respectively. Economic difficulties, such as poor harvests in the agricultural sector due to drought, are likely to affect those borrowers in priority sectors more severely. The Bank believes there is presently limited ability to expand the Bank's direct agricultural loan portfolio through corporate borrowers due to the limited involvement of corporate entities in agricultural activities in India. As a result, the Bank targets individual farmers. There is inadequate historical data of delinquent loans to farmers, which increases the risk of such exposures. Additionally, the Bank plans to open more branches in the rural and semiurban centres under its agricultural lending programmes and to progressively increase its exposure to agricultural lending. Moreover, if the Bank does not achieve its priority sector targets, the RBI can require compulsory investment in the Rural Infrastructure Development Fund established with the National Bank for Agriculture and Rural Development (NABARD) or funds with other financial institutions, which could provide lower yields to the Bank. Any change in the RBI's regulations may require the Bank to increase its lending to relatively riskier segments, which may result in an increase in NPAs in the directed lending portfolio. As the Bank increases its direct lending to certain sectors, the Bank increases its exposure to the risks inherent in such sectors, which could materially and adversely impact the Bank's business, financial performance.

m. The Bank is exposed to fluctuations in foreign exchange rates.

As a financial intermediary, the Bank is exposed to exchange rate risk. The Bank complies with regulatory limits on its unhedged foreign currency exposure. As at 31 March 2018, contingent liabilities (calculated pursuant to the Banking Regulation Act. 1949 and Accounting Standard 29) on account of outstanding forward exchange contracts was Rs. 3,14,802 crores. However, the Bank is exposed to fluctuations in foreign currency rates for its unhedged exposure. Adverse movements in foreign exchange rates may also impact the Bank's borrowers negatively, which may in turn impact the quality of the Bank's exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's future financial performance.

n. The Bank faces greater credit risks than banks in more developed countries.

Although India has a credit bureau industry, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. As a result, the Bank's credit risk exposure is higher compared with banks operating in advanced markets. Because the Bank's lending operations to the aforesaid categories are limited to India, the Bank may be exposed to a greater potential for loss compared with banks with lending operations in more developed countries. The Bank is subject to credit risk that the borrowers may not pay the Bank in a timely fashion or at all.

o. The Bank operates in a very competitive environment and the Bank's ability to grow depends on its ability to compete effectively.

The Indian banking industry is very competitive. The Bank competes directly with public sector banks, private sector banks and foreign banks with branches in India. As at 31 March 2018, there were 149 scheduled commercial banks in India, including 21 public sector banks, 21 private sector banks (including the Bank) and 45 foreign banks with branches in India. The public sector banks, which generally have much larger customer and deposit bases, larger branch networks and Government support for capital augmentation pose strong competition to the Bank. The Bank also faces competition from private sector banks in India, some of which have larger customer bases and greater financial resources than the Bank. The Bank also faces competition from foreign banks that have established branches in India and have aggressively pursued a share of business in the market. Increased competitive pressure may have an adverse impact on the Bank's earnings, its future financial performance.

In addition, since the Bank raises funds from market sources and individual depositors, it faces increasing competition for mobilising such funds. For example, recent deregulation of interest rates on savings deposits has resulted in certain banks increasing such interest rates, leading to increased competition. The Bank's ability to raise fresh deposits and grow its deposit base also depends, in part, on its ability to expand its network of branches, which requires the approval of the RBI. The RBI also issued guidelines in November 2014 on the entry of "Small Finance Banks" and "Payments Banks" in the private sector in the banking industry, including the eligibility criteria, structure, capital requirements, shareholding structure and corporate governance practices applicable to such proposed entities. During fiscal 2016, the RBI issued new bank licenses to "Small Finance Banks" and "Payment Banks" in the private sector. As of 31 March 2018, there were six active "Payment Banks". Apart from providing an impetus to financial inclusion, this is expected to intensify competition in the banking sector in the medium term. There can be no assurance that the Bank will be able to obtain the RBI's authorisations to meet the Bank's requirements for branch expansion to achieve the desired growth in its deposit base. Due to competitive pressures, the Bank may be unable to successfully execute its growth strategy and offer products and services at reasonable returns and this may adversely affect its business and operations.

p. *The Bank's risk management policies and procedures may leave the Bank exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses.*

The Bank's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events. Although the Bank has established these policies and procedures, they may not be fully effective.

q. *The Bank may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.*

The Bank is required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India and in other jurisdictions where it has operations. These laws and regulations require the Bank, among other things, to adopt and enforce "know your customer" (KYC) policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. The Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking networks for money laundering activities and by terrorists and terrorist-related organisations and individuals. The Bank has in place internal controls, systems and procedures in conformity with the RBI directives and believes that its anti-money laundering and KYC compliance policies and procedures are generally adequate and in accordance with regulatory guidelines. However, to the extent the Bank fails to fully comply with applicable laws and regulations, the relevant Government agencies and the Regulator(s) have the power and authority to impose fines and other penalties.

r. *The Bank's business depends on the continuity of its management team, skilled personnel and the Bank's ability to retain and attract talented personnel.*

The Bank is highly dependent on the services of its management team and other key personnel. The Bank's ability to meet future business challenges depends, among other things, on their continued employment and the Bank's ability to attract and recruit talented and skilled personnel. There can be no assurance that the Bank will be able to retain such key personnel. Competition for skilled and professional personnel in the banking industry is intense. The loss of key personnel or an inability to manage attrition levels across the Bank may have a material adverse impact on the Bank's business, its ability to grow and its control over various business functions.

s. *The business of the Bank is highly dependent on information technology; therefore, if the Bank is unable to adapt to rapid technological changes, its business could suffer.*

The Bank's future success will depend in part on its ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that the Bank will successfully implement new technologies effectively or adapt its transaction processing systems to meet customer requirements or emerging industry standards. If the Bank is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its financial performance could be adversely affected.

Furthermore, any technical failures associated with the Bank's information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorised tampering, may cause interruptions or delays in the Bank's ability to provide services to its customers on a timely basis or at all, and may also result in costs for information retrieval and verification.

t. *Banking is a heavily regulated industry and material changes in the regulations that govern the Bank could cause its business to suffer.*

Banks in India are subject to detailed regulation and supervision by the RBI. In addition, banks are generally subject to changes in Indian law as well as to changes in regulations, Government policies and accounting principles. The RBI also sets guidelines on the cash reserve ratio (CRR), SLR, priority sector lending, export credit, agricultural loans, loans to sectors deemed to be weak by the RBI, market risk, capital adequacy ratio and branch licencing, among others. The Bank is also subject to regular financial inspection by the RBI. In the event that the Bank is unable to meet or adhere to the guidance or requirements of the RBI, the RBI may impose strict enforcement of its observations on the Bank, which may have an adverse effect on its business, financial condition, cash flows or results of operations. The laws and regulations governing the banking sector, including those governing the products and services that the Bank provides or proposes to provide, such as its life insurance or asset management business, or derivatives and hedging products and services, could change in the future. Any such changes may adversely affect the Bank's business, future financial performance, for example, requiring a restructuring of the Bank's activities or increasing its operating costs.

u. *Actions of the Government, as the Bank's controlling shareholder through SUUTI and other Government-related entities, could conflict with the interests of other shareholders.*

The Government, through the Administrator of the Specified Undertaking of Unit Trust of India (SUUTI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC) and four public sector insurance companies; collectively held a significant portion of the Bank's equity shares. Under the Bank's memorandum and articles of association (the Articles), SUUTI and LIC each have the right to nominate one director. The Chairman is duly appointed by the board of directors of the Bank (the Board or the Board of Directors). As at 30 September 2018, the Government indirectly held approximately 25.02 per cent. (SUUTI – 9.29 per cent., LIC – 13.07 per cent., GIC and four public sector insurance companies – 2.66 per cent.) of the Bank's equity shares. As long as the Government continues to hold a significant portion of the Bank's voting shares, the Government, through its membership on the Bank's Board of Directors, may influence the policies of the Bank in a manner that could conflict with the interests of other shareholders.

v. *Major fraud, lapses of control, system failures or calamities could adversely impact the Bank's business.*

The Bank is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. There can be no assurance that the Bank's use of encrypted password-based protections and firewalls are adequate to prevent fraud or the invasion or breach of the network by an intruder. Failure to protect against fraud or breaches in security may adversely affect the Bank's operations and future financial performance. The Bank's reputation could be adversely affected by significant fraud committed by its employees, agents, customers or third parties.

In December 2017, the Bank was directed by the Securities and Exchange Board of India (SEBI) to conduct an internal inquiry into the leakage of unpublished price sensitive information (UPSI) relating to its financial results for the quarter ended 30 June 2017 and to take appropriate action against those responsible for the same in accordance with the law. Such inquiry was to be completed within a period of three months from the date of the order (27 December 2017) and, within 7 days from the completion of the inquiry, the Bank was to file a report with SEBI. SEBI also directed the Bank to strengthen its processes, systems and controls to prevent leakage of UPSI in the future. In response to SEBI's directions, the Bank appointed an external auditing firm to review the effectiveness of the processes, controls and systems in place to prevent leakage of UPSI. The Bank also requested such firm to conduct an investigation and a forensic audit regarding the alleged leakage of the unaudited financial results for the quarter ended 30 June 2017, to recommend measures to prevent such recurrence and to submit a report to the Bank within the time frame prescribed by SEBI. The external auditing firm had since completed the inquiry and the Bank has submitted the report to SEBI in accordance with SEBI's directions. While the Bank aims to adhere to the highest norms of governance, and is committed to ensure adequacy of its process, systems and controls, including preventing unauthorised access to UPSI, there can be no assurance that similar incidents will not happen in the future.

Given the increasing share of retail products and services and transaction banking services in the Bank's overall business, the importance of systems technology to the Bank's business has increased significantly. The Bank's principal delivery channels include automated teller machines (ATMs), Internet banking, mobile banking and call centres (telephone banking). Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses. For example, the Bank's customer service operations have been affected to some extent in the past during the migration of the Bank's core banking software to an updated version, as the application took time to stabilise.

The Bank maintains a disaster recovery centre in Bengaluru in the event that the Bank's main computer centre in Mumbai shuts down for any reason. The system in Bengaluru is configured to come into operation if the Mumbai system is no longer operational. See "Description of the Bank – Information Technology". However, if for any reason the switch over to the backup system does not take place or if a calamity occurs in both Mumbai and Bengaluru such that the Bank's business is compromised in both centres, the Bank's operations would be adversely affected.

w. *The Bank is involved in a number of legal and regulatory proceedings that, if determined against it, could have a material adverse impact on its future financial performance and stockholders' equity.*

The Bank and its subsidiaries and associates are often involved in certain litigation matters and subject to various regulatory investigations in the ordinary course of the Bank's business. These matters generally arise because the Bank seeks to recover from borrowers or because customers seek claims against the Bank or for other reasons. Although it is the Bank's policy to make provisions for probable loss, the Bank does not make provisions or disclosures in its financial statements where its assessment is that the risk is insignificant. The Bank cannot guarantee that the judgments in any of the litigation or regulatory proceedings in which the Bank is involved would be favourable to it and if its assessment of the risk changes, its view on provisions will also change. Increased provisioning for such potential losses could have a material adverse effect on the Bank's results of operations and financial condition. If the Bank's provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on the Bank's business. Any adverse outcome of litigation or regulatory proceedings could have a material adverse effect on the Bank's business, its future financial performance.

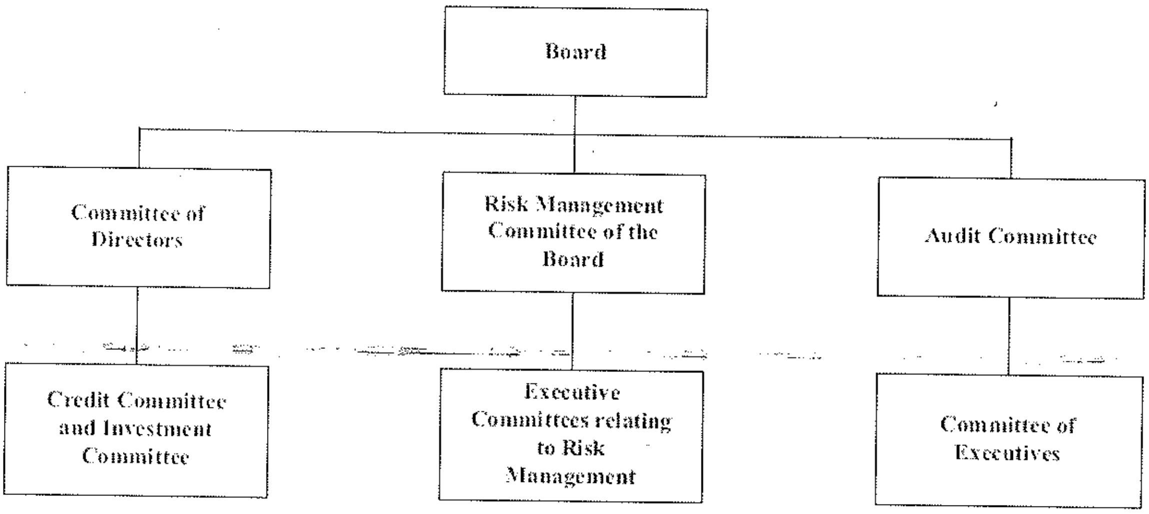
RISK MANAGEMENT

Risk Management Structure

The Bank is exposed to various risks that are an integral part of any banking business, with the major risks being credit risk, market (including liquidity) risk and operational risk. The Bank places emphasis on risk management measures to ensure that there is an appropriate balance between risk and return and has implemented comprehensive policies and procedures to identify, monitor and manage risk throughout the Bank. The risk management strategy of the Bank is based on understanding the various types of risks, disciplined risk assessment and continuous monitoring including relying on comprehensive processes and internal control mechanisms for effective and continuous monitoring and control of risks.

Objectives and Policies

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Board sets the overall risk appetite and philosophy for the Bank. The Committee of Directors, the Risk Management Committee and the Audit Committee of the Board, which are sub-committees of the Board, review various aspects of risk arising from the businesses of the Bank. Various senior management committees operate within the broad policy framework as illustrated below:



The following Executive Committees relating to Risk Management have been approved by the Risk Management Committee of the Board:

1. Asset Liability Management Committee (ALCO);
2. Credit Risk Management Committee (CRMC);
3. Operational Risk Management Committee (ORMC);
4. Subsidiary Governance Committee (SGC);
5. Business Continuity Management Committee (BCMC);
6. Central Outsourcing Committee (COC);
7. Reputation Risk Management Committee (RRMC); and
8. Information Security Committee (ISSC).

The Bank has put in place policies relating to management of credit risk, market risk, operational risk, information security risk, reputation risk, subsidiary risk and asset-liability both for the domestic as well as overseas operations along with overseas subsidiaries according to the respective host regulatory requirements and business needs. The overseas policies are drawn based on the risk perceptions of these economies and the Bank's risk appetite.

The Bank has formulated a comprehensive Stress Testing Policy to measure the impact of adverse stress scenarios on the adequacy of capital. The stress scenarios are idiosyncratic, market-wide or a combination of both.

Credit Risk

Credit risk is the risk of financial loss if a client, issuer of securities that the Bank holds or any other counterparty fails to meet its contractual obligations. Credit risk arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor. The goal of credit risk management is to maximise the Bank's risk-adjusted rate of return on capital by maintaining targeted asset quality and managing the credit risk inherent in individual exposures as well as at the portfolio level. The emphasis is placed, both on evaluation and containment of risk at the individual exposures and analysis of the portfolio behaviour.

The Bank has a structured and standardised credit approval processes, including a well-established procedure of comprehensive credit appraisal. Every extension of credit facility or material change to a credit facility to any counterparty requires credit approval at the appropriate authority level. Internal risk rating remains the foundation of the credit assessment process, which provides standardisation and objectivity to the process. All sanctioning processes including the delegation of powers are linked to the ratings and the sizes of the exposure. The monitoring frequency applicable to the exposure also depends on the rating of the exposure.

Market Risk

Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market Risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis. The market risk management framework of the Bank aims at maximising the risk adjusted rate of return by providing inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the risk exposure and comparable benchmarks. The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for both its domestic and overseas operations. The market risk management framework of the Bank provides necessary inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the risk exposure and comparable benchmarks which assists in maximising the risk-adjusted rate of return of the Bank's trading and investment portfolio.

Liquidity Risk

The Asset Liability Management Policy of the Bank stipulates broad framework for liquidity risk management to ensure that the Bank is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from, bank-wide factors, market-wide factors or a combination of both.

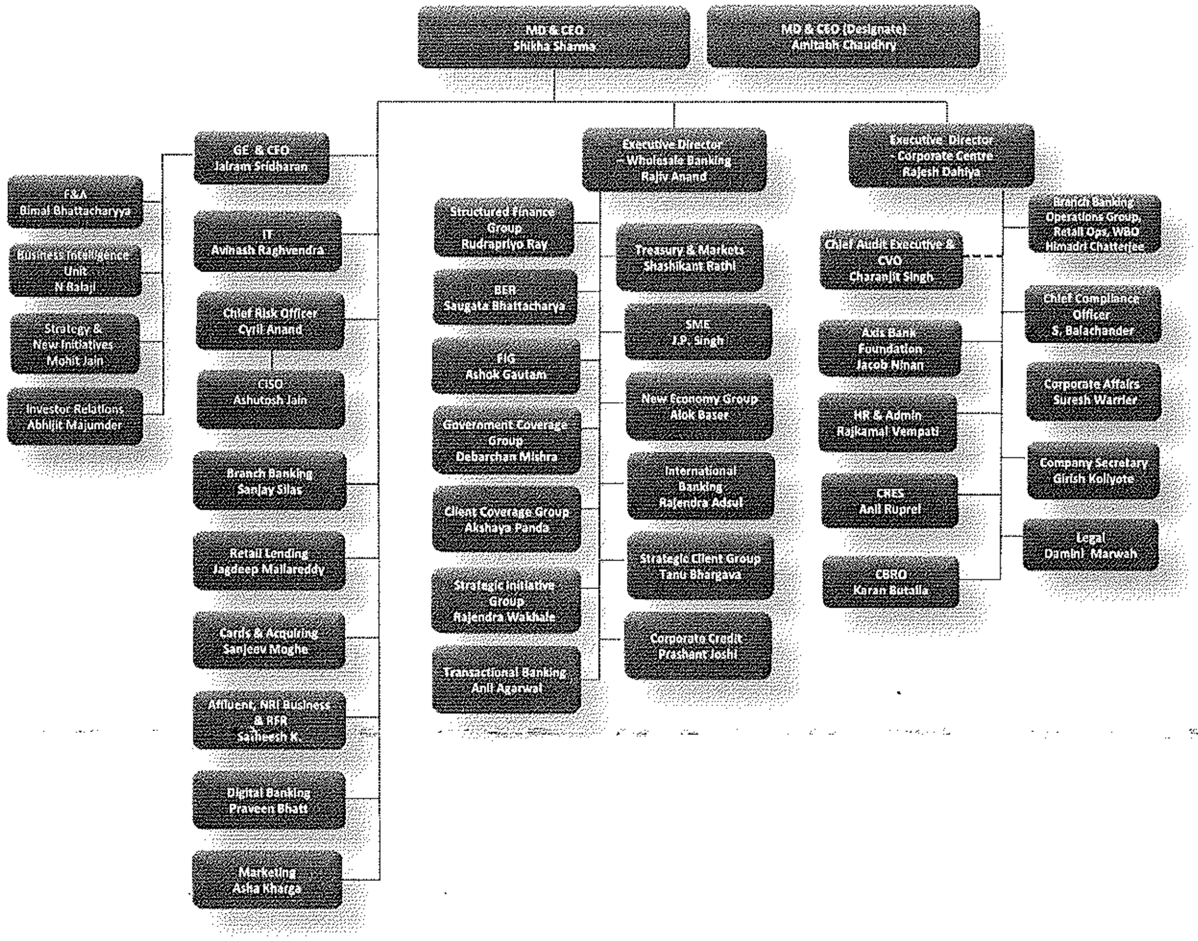
The liquidity profile of the Bank is analysed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. The liquidity position is monitored for both domestic as well as overseas operations. The Bank has laid down liquidity risk policies for its overseas branches in line with host country regulations and the asset-liability management framework as stipulated for domestic operations. Periodical liquidity positions and liquidity stress results of overseas branches are reviewed by the Bank's ALCO.

RBI has released draft guidelines on liquidity risk management and the Basel III framework on liquidity standards.

Operational Risk

Operational risks may emanate from inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four. The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through well-defined framework and governance structure. The RMC at the apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank. A sub-committee of the ORMC, Sub-ORMC has been constituted to assist the ORMC in discharging its functions. All new products and processes are subjected to risk evaluation by the Bank's Product Management Committee and Change Management Committee etc.

I. CORPORATE STRUCTURE



II. Key operational and financial parameters (Consolidated basis) for the last 3 (three) audited years in the following tabular format

Standalone

(Rs. In crore)

Particulars	Sept 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Networth	65,059	56,569	50,700	51,206
Total Debt (Borrowing)	148399	148,016	105,031	99,226
Net Fixed Assets	3,909	3,972	3,747	3,523
Cash and Cash Equivalents (Cash and Balances with Reserve Bank of India)	48,704	43,455	50,256	33,325
Interest Income	26,058	45,780	44,542	40,988
Interest Expense	15,659	27,162	26,449	24,155
Provisioning & Write Offs	6,975	15,319	13,905	7,880
PAT	1,491	276	3,679	8,224
Gross NPA (%)	5.96	6.77	5.04	1.67
Net NPA (%)	2.54	3.40	2.11	0.70
Tier I Capital Adequacy Ratio (%)	12.76	13.04	11.87	12.51
Tier II Capital Adequacy Ratio (%)	3.41	3.53	3.08	2.78

Non Current Assets	NA	NA	NA	NA
Current Investment	NA	NA	NA	NA
Current Assets	NA	NA	NA	NA
Current Liabilities	NA	NA	NA	NA
Asset Under Management	NA	NA	NA	NA
Off Balance sheet Assets	NA	NA	NA	NA

Consolidated **(Rs. In crore)**

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Networth	57269	51,308	51,591
Total Debt (Borrowing)	155767	112,455	104,494
Net Fixed Assets	4049	3,810	3,574
Cash and Cash Equivalents (Cash and Balances with Reserve Bank of India and Balance with banks and money at call and short notice)	43911	50,966	33,703
Interest Income	46614	45,175	41,409
Interest Expense	27604	26,789	24,344
Provisioning & Write Offs	15621	14,115	8,051
PAT	464	3,953	8,358
Gross NPA (%)	NA	NA	NA
Net NPA (%)	NA	NA	NA
Tier I Capital Adequacy Ratio (%)	13.11	11.97	12.62
Tier II Capital Adequacy Ratio (%)	3.47	3.04	2.79
Non Current Assets	NA	NA	NA
Current Investment	NA	NA	NA
Current Assets	NA	NA	NA
Current Liabilities	NA	NA	NA
Asset Under Management	NA	NA	NA
Off Balance sheet Assets	NA	NA	NA

III. Project cost and means of financing, in case of funding of new projects

The funds being raised by the Issuer through present issue of Debentures are not meant for financing any particular project. The Issuer shall utilise the proceeds to augment long term resources of the Bank for funding infrastructure and affordable housing projects

IV. BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF ITS ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN ITS CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS, IF ANY.

The Bank obtained its certificate of incorporation on December 3, 1993 and its certificate of commencement of business on December 14, 1993. Its first branch was opened at Ahmedabad in April 1994. The Bank was renamed as "Axis Bank Limited" and the certificate of incorporation consequent to the name change was obtained on July 30, 2007.

The Bank began its operations on 2nd April 1994 as one of the first private sector banks established under guidelines issued in 1993 by RBI in line with the Government's policy to reform India's financial sector. The Bank's entire initial equity capital of Rs.1 billion was contributed by UTI-I (previously Unit Trust of India). Subsequently, LIC contributed Rs.75 million and GIC, together with four Government-owned general insurance companies, contributed Rs.75 million.

The Bank's equity capital was on stock exchange through an Initial Public Offering in September 1998. In March 2005, the Bank issued its first Global Depositary Receipts (**GDRs**) to overseas investors. Each GDR represents one equity share of the Bank. The GDRs are listed on the London Stock Exchange.

The shareholders of the Bank at 20th Annual General Meeting held on 27th June, 2014 approved the change in face value of the shares. Accordingly, each existing Equity Share of the Bank having a face value of Rs. 10/- each has been sub-divided into 5 (Five) Equity Shares having face value of Rs. 2/- each fully paid up w.e.f. 30th July, 2014 being the record date. Consequently, the ratio of the Bank's GDR to equity shares has been revised from one GDR representing one underlying equity share of the Bank to one GDR representing five underlying equity shares of the Bank.

Subsidiaries

The Bank at present has following 11 subsidiaries and 1 step down subsidiary namely;

The Bank has 11 direct subsidiaries; namely, Axis Capital Ltd. **(ACL)**, Axis Securities Ltd. **(ASL)**, Axis Private Equity Ltd. **(APE)**, Axis Trustee Services Ltd. **(ATSL)**, Axis Asset Management Company Ltd. **(AAMC)**, Axis Mutual Fund Trustee Ltd. **(AMFT)**, Axis Finance Ltd **(AFL)**, A.Treds' Ltd. **(ATL)**, Axis Bank UK Ltd. **(ABUK)**, Freecharge Payment Technologies Private Ltd., Accelyst Solutions Private Limited and one indirect (step down) subsidiary, Axis Capital USA, LLC.

1. **Axis Capital Ltd. (formerly Axis Securities and Sales Ltd.)**
ACL was incorporated in India as a wholly-owned subsidiary of the Bank on 6th December 2005 and received its certificate of commencement of business on 2nd May 2006. Certain businesses of M/s. Enam Securities Pvt. Ltd. were merged with Axis Capital Ltd._as part of a scheme and the following companies became direct subsidiaries of ACL:
    - Axis Securities Ltd. (formerly Enam Securities Direct Pvt. Ltd.)
    - Axis Finance Ltd. (formerly Enam Finance Pvt. Ltd.)
    - Axis Securities Europe Ltd. (formerly Enam Securities Europe Ltd.)
    - Enam International Ltd., UAE (voluntarily dissolved with effect from 24TH August 2014)

    Axis Securities Ltd., Axis Finance Ltd. and Axis Securities Europe Ltd. later became direct subsidiaries of the Bank in line with the RBI directives. Enam International Ltd., (UAE) was voluntarily dissolved with effect from 24th August 2014. The paid-up capital of ACL on 31 March 2018 was Rs. 735 million. ACL is in the business of merchant banking, institutional broking and investment banking. The net profit of ACL for the year ended 31 March 2018 was Rs. 1,388 million. ACL's current merchant banking registration from SEBI was issued in January 2013.

2. **Axis Securities Ltd. (formerly Enam Securities Direct Pvt. Ltd.)**
ASL was incorporated in India on 21st July 2006. The sales and securities business, including the retail broking business of Axis Capital Ltd, was merged with ASL on 25th May 2013. ASL is a wholly-owned subsidiary of the Bank and is in the business of marketing retail asset products, credit cards and retail broking. The paid-up capital of ASL as at 31 March 2018 was Rs. 1,445 million and the net profit for fiscal 2018 is Rs. 604 million.

3. **Axis Private Equity Ltd. (APE)**
APE was incorporated in India as a wholly-owned subsidiary of the Bank on 3 October 2006 and received its certificate of commencement on 4th December 2006. APE is in the business of managing investments, venture capital funds and offshore funds. The paid-up capital of APE is Rs. 15 million and the reported net loss is Rs. 2.7 million for the fiscal year of 2018.

4. **Axis Trustee Services Ltd. (ATSL)**
ATSL was incorporated in India as a wholly owned subsidiary of the Bank on 16 May 2008 and received its certificate of commencement on 30 September 2008. ATSL is in the business of trusteeship services. The paid-up capital of ATSL was Rs. 15 million as of 31 March 2018 and the reported net profit is Rs. 202 million for the fiscal year of 2018.

5. **Axis Asset Management Company Ltd. (AAMC)**
AAMC was incorporated on 13th January 2009 and received its certificate of commencement on 4th March 2009. AAMC is in the business of asset management.

    In September 2012, the Bank entered into a strategic partnership with Schroders Plc. Through this partnership, Schroder Investment Management (Singapore) Ltd. (**SIMSL**), through its wholly-owned subsidiary, Schroder Singapore Holdings Private Ltd. (**SSHPL**), acquired 25 per cent. of the total issued and paid-up equity share capital plus one equity share in AAMC.

    AAMC is approved by the SEBI to act as Investment Manager for Axis Mutual Fund. Axis Mutual Fund is also registered with the SEBI. AAMC is also registered with the SEBI as a Portfolio Manager. The paid-up capital of AAMC is Rs. 2,101 million as of 31 March 2018 and the reported net profit is Rs. 430 million for the fiscal year of 2018.

6. Axis Mutual Fund Trustee Ltd. (AMFT)

AMFT was incorporated on 2nd January 2009 and received its certificate of commencement on 4th March 2009. AMFT is acting as a trustee to Axis Mutual Fund. The SEBI, in a letter dated 4th September 2009, granted registration to Axis Mutual Fund.

In September 2012, the Bank entered into a strategic partnership with Schroders plc. Through this partnership, SIMSL, through its wholly-owned subsidiary, SSHPL acquired 25 per cent of the total issued and paid-up equity share capital plus one equity share in AMFT. AMFT had a paid-up capital of Rs.0.5 million as at 31st March 2018 and the reported net profit is Rs.0.8 million for fiscal 2018.

7. Axis Finance Ltd (AFL)

AFL was incorporated on 27th April 1995. It is a non-banking finance company regulated by the RBI. AFL is positioned to offer products in the retail as well as corporate banking segments. As at 31 March 2018, the paid-up capital of the company was Rs. 4,808 million and the reported net profit was Rs. 2,094 million for the fiscal year of 2018.

8. A.Treds Ltd. (ATL)

The Bank in joint venture with Mjunction Services Ltd. set up a new subsidiary namely A. Treds Ltd. on 23 May 2016 in which the Bank and Mjunction Services Ltd. each hold 67 per cent. and 33 per cent., of the share capital, respectively. ATL undertakes the activities and operations related to the trade receivable discounting system. A.Treds Ltd. had a paid-up capital of Rs. 250 million and reported a net loss of Rs. 78 million for the fiscal year of 2018.

9. Axis Bank UK Ltd. (ABUK)

ABUK is a wholly-owned overseas subsidiary of the Bank. It was incorporated on 7th March 2011 in the United Kingdom and commenced its operations on 19th April 2013 upon receipt of approval from the FCA. ABUK is in the business of commercial banking, excluding the business of retail mortgage loans. ABUK had paid-up capital of Rs. 3585 million and reported a net profit of Rs. 791 million for fiscal 2018..

10. Freecharge Payment Technologies Private Ltd. (FPTPL)

Freecharge Payment Technologies Private Ltd. was acquired by the Bank on 6 October 2017. FPTPL is in the business of providing digital payments services through web and mobile-based platforms and payment gateways. It is also engaged in the services of operating payment system for semi-closed prepaid payment instruments and gift vouchers card processing services, payment aggregation services, merchant acquisition services and payment support services. FPTPL had a paidup capital of Rs. 5,811 million and reported a net loss of Rs. 281 million for the fiscal year of 2018.

11. Accelyst Solutions Private Limited (ASPL)

Accelyst Solutions Private Ltd. was acquired by the Bank on 6 October 2017. ASPL is in the business of providing digital payments services through web and mobile-based platforms. It is also engaged in providing services for facilitating online recharge, bill payment and coupon services, marketing platform for third parties, distribution of mutual funds and insurance products through the mobile applications, websites and mobile sites. ASPL had a paid-up capital of Rs. 6,797 million and reported a net loss of Rs.365 million for the fiscal year of 2018. The Board of the Bank and the RBI have approved the merger and amalgamation of FPTPL and ASPL.

Axis Capital USA, LLC.

Axis Capital USA, LLC was incorporated in the United States on 2 August 2017. It is a wholly owned subsidiary of Axis Capital Ltd. It aims to provide financial services relating to equity capital markets and institution stock broking to institutional investors in the United States. As of the date of this Offering Circular, it is in the process of completing its registration formalities with the Financial Industry Regulatory Authority, Inc. and Securities and Exchange Commission. Axis Capital USA, LLC had a paid-up capital of Rs. 0.00 and reported a net loss of Rs. 4 million for the fiscal year of 2018.

OUR PROMOTERS (As on 30.09.2018)

Sr. No.	Names of Shareholder/ Particulars	Total No. of Equity shares	No. of Shares in Demat form	Total shareholding as % of total no of equity shares	No. of Shares Pledged	% of Shares pledged with respect to shares owned
	Promoters					
1	Administrator Of The Specified Undertaking Of The Unit Trust Of India - Suuti	23,87,17,939	23,87,17,939	9.29	---	---
2	Life Insurance Corporation Of India	33,56,78,433	33,56,78,433	13.07	---	---
3	General Insurance Corporation Of India	3,53,36,302	3,53,36,302	1.38	---	---
4	The New India Assurance Company Limited	2,32,18,585	2,32,18,585	0.90	---	---
5	National Insurance Company Limited	10,39,681	10,39,681	0.04	---	---
6	The Oriental Insurance Company Limited	63,30,020	63,30,020	0.25	---	---
7	United India Insurance Company Limited	22,20,831	22,20,831	0.09	---	---
	Total Promoter Shareholding	**64,25,41,791**	**64,25,41,791**	**25.02**	---	---

CAPITAL STRUCTURE

Equity Share Capital of the Bank as on 30.09.2018

A. Authorised Share Capital	**(Rs. in Crores)**
425,00,00,000 Equity Shares of Rs. 2 each	850.00
B. Issued Subscribed and Paid-up Capital	
256,91,15,216 Equity Shares of Rs. 2 each	513.82
C. Paid Up Share Capital after the present issue	
256,91,15,216 Equity Shares of Rs. 2 each	513.82
D. Shareholders" Funds	65059

Change in Capital Structure as on 30.09.2018 – Authorised Capital

Except for the following there has been no increase/decrease in the authorised share capital of the Bank :

Date	Authorised Capital (Rs.)	Face Value (Rs.)	No. of Shares	Particulars
03-12-1993	300 crores	10/- each	30,00,00,000	The Bank was incorporated with an Authorized share capital of Rs. 300 crores.
01-06-1998 [EGM]	230 crores	10/- each	23,00,00,000	The Authorised share capital of the Bank was decreased from Rs. 300 crores to Rs. 230 crores.
28-03-2003 [EGM]	300 crores	10/- each	30,00,00,000	The Authorised share capital of the Bank was increased from Rs. 230 crores to Rs. 300 crores.
25-06-2007 [EGM]	500 crores	10/- each	50,00,00,000	The Authorised share capital of the Bank was increased from Rs. 300 crores to Rs. 500 crores.
28-01-2013 [Postal Ballot Notice dated 17/ 12/2012]	850 crores	10/- each	85,00,00,000	The Authorised share capital of the Bank was increased from Rs. 500 crores to Rs. 850 crores.
27-06-2014 [AGM]	850 crores	2/- each	4,25,00,00,000	Sub-Division of Equity Shares – from 1 equity share of the face value of Rs. 10 each to 5 equity shares of the face value of Rs. 2 each.

History of changes in Capital Structure of the Bank – Issued Share Capital as on 30.09.2018

Date of Allotment	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Issue Price (Rs) - Original	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
					No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs)
08-Dec-93	50	10	Cash	Initial Capital	50	100	0
08-Dec-93	50	10	Cash	Initial Capital	100	200	0
08-Dec-93	50	10	Cash	Initial Capital	150	300	0
08-Dec-93	50	10	Cash	Initial Capital	200	400	0
08-Dec-93	50	10	Cash	Initial Capital	250	500	0
08-Dec-93	50	10	Cash	Initial Capital	300	600	0
08-Dec-93	50	10	Cash	Initial Capital	350	700	0
02-Apr-94	50,00,00,000	10	Cash	Preferential Allotment	50,00,00,350	100,00,00,700	0
28-Sep-94	3,75,00,000	10	Cash	Preferential Allotment	53,75,00,350	107,50,00,700	0
28-Sep-94	75,00,000	10	Cash	Preferential Allotment	54,50,00,350	109,00,00,700	0
28-Sep-94	75,00,000	10	Cash	Preferential Allotment	55,25,00,350	110,50,00,700	0
26-Oct-94	75,00,000	10	Cash	Preferential Allotment	56,00,00,350	112,00,00,700	0
26-Oct-94	75,00,000	10	Cash	Preferential Allotment	56,75,00,350	113,50,00,700	0
26-Oct-94	75,00,000	10	Cash	Preferential Allotment	57,50,00,350	115,00,00,700	0
23-Oct-98	8,45,15,500	21	Cash	Initial Public Offer - IPO	65,95,15,850	131,90,31,700	11
31-Dec-01	23,17,50,000	34	Cash	Preferential Allotment	89,12,65,850	178,25,31,700	24
28-Mar-02	5,78,93,800	39.04	Cash	Preferential Allotment	94,91,59,650	189,83,19,300	29.04
30-Mar-02	99,04,700	39.04	Cash	Preferential Allotment	95,90,64,350	191,81,28,700	29.04
28-Mar-03	19,18,14,170	42.75	Cash	Preferential Allotment	115,08,78,520	230,17,57,040	32.75
21-Mar-05	20,24,51,500	256.65	Cash	GDR Issue	135,33,30,020	270,66,60,040	246.7
25-Apr-05	1,50,03,500	256.65	Cash	GDR Issue	136,83,33,520	273,66,67,040	246.7
27-Jul-07	14,13,24,670	620	Cash	QIP Issue	150,96,58,190	301,93,16,380	610
27-Jul-07	7,06,62,330	620	Cash	GDR Issue	158,03,20,520	316,06,41,040	610
27-Jul-07	15,34,75,645	620	Cash	Preferential Allotment	173,37,96,165	346,75,92,330	610
24-Sep-09	16,52,22,500	906.7	Cash	QIP Issue	189,90,18,665	379,80,37,330	896.7
24-Sep-09	2,52,77,500	906.7	Cash	GDR Issue	192,42,96,165	384,85,92,330	896.7
24-Sep-09	1,98,83,160	906.7	Cash	Preferential Allotment	194,41,79,325	388,83,58,650	896.7
20-Oct-12	6,04,50,000	5 equity shares of Axis Bank Ltd. for every 1 share of Enam Securities Pvt. Ltd. (ESPL)	Non Cash (Equity Shares)	Allotted pursuant to the Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors	200,46,29,325	400,92,58,650	-

04-Feb-13	2,91,89,725	1390	Cash	Preferential Allotment	203,38,19,050	406,76,38,100	1380
04-Feb-13	17,00,00,000	1390	Cash	QIP Issue	220,38,19,050	440,76,38,100	1380
18-Dec-17#	16,53,28,892	525	Cash	Preferential Allotment	236,91,47,942	473,82,95,884	-
On Various Dates*	19,99,67,274	-	Cash	Allotment under ESOP till 30-Sep-2018	256,91,15,216	513,82,30,432	-

Note- The shareholders of the Bank at the 20th Annual General Meeting held on 27 June, 2014, approved the sub-division (split) of one equity share of the Bank from nominal value of Rs. 10/- each into five equity shares of nominal value of Rs. 2/- each. The record date for the sub-division was 30 July, 2014.

 # On 18 December 2017, the Bank has allotted 45,357,385 convertible warrants carrying a right to the convertible warrant holder to apply for, get issued and allotted one (1) equity share of the Bank of face value Rs. 2 each, for cash, at a price of Rs. 565.00 per share against which the Bank has received an amount of Rs. 641 crore upfront representing 25% of the warrant price. The convertible warrants are exercisable upto 18 months from the date of allotment.

*ESOP details are as under:-

Date of allotment (Calendar Year wise)	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Consideration (Cash, other than cash, etc.)	Nature of Allotment
2003	41,28,850	Cash	Allotment of shares under ESOP
2004	90,90,130	Cash	Allotment of shares under ESOP
2005	1,13,02,500	Cash	Allotment of shares under ESOP
2006	1,31,13,365	Cash	Allotment of shares under ESOP
2007	1,54,10,975	Cash	Allotment of shares under ESOP
2008	80,37,660	Cash	Allotment of shares under ESOP
2009	1,29,01,015	Cash	Allotment of shares under ESOP
2010	3,13,38,780	Cash	Allotment of shares under ESOP
2011	1,33,71,400	Cash	Allotment of shares under ESOP
2012	1,24,54,165	Cash	Allotment of shares under ESOP
2013	1,13,93,460	Cash	Allotment of shares under ESOP
2014	1,69,07,523	Cash	Allotment of shares under ESOP
2015	1,59,57,557	Cash	Allotment of shares under ESOP
2016	1,21,57,413	Cash	Allotment of shares under ESOP
2017	74,11,607	Cash	Allotment of shares under ESOP
2018 (Till 30-Sep-2018)	49,90,874	Cash	Allotment of shares under ESOP
Total	**19,99,67,274**		

Details of the Shareholding pattern of the Bank as on 30.09.2018

Sr. No	Particulars	Total No. of Equity shares	No. of shares in demat form	Total shareholding as % of total no of equity shares
A	**Promoters**			
1	Administrator Of The Specified Undertaking Ofthe Unit Trust Of India	23,87,17,939	23,87,17,939	9.29
2	Life Insurance Corporation Of India	33,56,78,433	33,56,78,433	13.07
3	General Insurance Corporation Of India	3,53,36,302	3,53,36,302	1.38
4	The New India Assurance Company Limited	2,32,18,585	2,32,18,585	0.90
5	National Insurance Company Limited	10,39,681	10,39,681	0.04
6	The Oriental Insurance Company Limited	63,30,020	63,30,020	0.25
7	United India Insurance Company Limited	22,20,831	22,20,831	0.09
	Total promoter shareholding A	**64,25,41,791**	**64,25,41,791**	**25.02**
B	**Domestic shareholders**			
8	Indian FIs and Banks	32,14,474	32,14,474	0.13

9	Indian MFs	24,78,12,051	24,78,12,051	9.65
10	Indian bodies corporate	6,83,55,714	6,83,39,714	2.66
11	Indian residents	14,37,84,003	13,74,61,677	5.57
12	INSURANCE GROUP	4,14,66,912	4,14,66,912	1.61
	Total domestic shareholding B	**50,46,33,154**	**49,82,94,828**	**19.62**
C	**Foreign shareholders**			
13	FIIs/FPI/QFI	1,23,84,86,210	1,23,84,86,210	48.21
14	FDI (GDR)	8,96,72,870	8,96,72,870	3.49
15	FDI (OTHERS)	8,75,00,000	8,75,00,000	3.41
16	Foreign Bodies - DR	9,85,266	9,85,266	0.04
17	Foreign Banks/Foreign Employees	7,51,674	7,51,674	0.03
18	Foreign Nationals	750	750	0.00
19	NRIs	45,43,501	45,43,501	0.18
	Total Foreign shareholding C	**1,42,19,40,271**	**1,42,19,40,271**	**55.36**
	Total - A+B+C	**2,56,91,15,216**	**2,56,27,76,890**	**100.00**

NOTE: SHARES PLEDGED OR ENCUMBERED BY THE PROMOTERS (IF ANY): NIL

DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR: NIL

DETAILS OF REORGANIZATION OR RECONSTRUCTION IN LAST 1 YEAR: NIL

V. DETAILS OF DEBT SECURITIES ISSUED AND SOUGHT TO BE LISTED INCLUDING FACE VALUE, NATURE OF DEBT SECURITIES, MODE OF ISSUE, PUBLIC ISSUE OR PRIVATE PLACEMENT.

For details, please refer to the Term Sheet enclosed with this document.

VI. ISSUE SIZE

For details, please refer to the Term Sheet enclosed with this document.

VII. DETAILS OF THE UTILIZATION OF THE ISSUE PROCEEDS

The issue of Debentures is being made pursuant to applicable RBI Regulations for enhancing long term resources for funding infrastructure and affordable housing in India.

VIII. A STATEMENT CONTAINING PARTICULARS OF THE DATES OF, AND PARTIES TO ALL MATERIAL CONTRACTS, AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

(a) Material Documents

i. Letter appointing Registrar and Transfer Agents
ii. Letter appointing SBICAP Trustee Company Limited as Trustee to the Debenture holders.
iii. Tripartite Agreement between the Bank, NSDL & RTA
iv. Tripartite Agreement between the Bank, CDSL & RTA

(b) Documents

v. Credit Rating Letters for the current placement.
vi. Board and shareholders resolution approving the issuance of Debentures on Private Placement.
vii. Consent letters of the Registrar and Transfer Agents and the Trustee of the Debenture holders.
viii. Memorandum & Articles of Association of Bank
ix. Certificate of Incorporation
x. Certificate of Business Commencement
xi. Annual Report of last 3 Financial Years
xii. RBI Lincense

IX. DETAILS OF BORROWINGS INCLUDING ANY OTHER ISSUE OF DEBT SECURITIES AS ON 30 SEPTEMBER 2018:-

▪ **Details Of Outstanding BONDS AS ON 30.09.2018**

Lower Tier II

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon (%)	Redemption Date
Series 17	Unsecured	28/03/2009	2000	120	AAA(ind) – Fitch & AAA (Triple A) - CARE	9.95%	28/03/2019
Series 18	Unsecured	16/06/2009	20000	120	AAA(ind) – Fitch & AAA (Triple A) – Care	9.15%	16/06/2019
Series 19	Unsecured	01/12/2011	15000	120	AAA by CARE & ICRA	9.73%	01/12/2021
Series 20	Unsecured	20/03/2012	19250	120	AAA by CARE & ICRA	9.30%	20/03/2022
Series 21	Unsecured	31/12/2012	25000	120	AAA by CARE & ICRA	9.15%	31/12/2022

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon (%)	Redemption Date
Series 22	Unsecured	12/02/2015	8500	120	AAA/Stable by CRISIL, AAA by CARE & ICRA	8.45%	12/02/2025
Series 23	Unsecured	30/09/2015	15000	120	CRISIL AAA ICRA AAA CARE AAA	8.50%	30/09/2025
Series 24	Unsecured	27/05/2016	24300	120	CRISIL AAA ICRA AAA India Rating AAA	8.50%	27/05/2026
Series 25	Unsecured	23/11/2016	18000	120	ICRA AAA India Rating AAA	7.84%	23/11/2026
Series 26	Unsecured	14/12/2016	35000	Perpetual	CRISIL AA+ Ind-Ra AA+	8.75%	Perpetual*
Series 27	Unsecured	15/06/2017	50000	120	CRISIL AAA ICRA AAA India Rating AAA	7.66%	15/06/2027
Series 28	Unsecured	14/12/2016	35000	Perpetual	CRISIL AA+ Ind-Ra AA+	8.75%	Perpetual*

* The Bank shall have an option for redemption "i.e. Call Option" to redeem the debentures at par at the end of 5th year from the date of allotment (exercisable only with RBI approval).

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million	Tenure (in months)	Credit Rating at the time of issuance	Coupon	Redemption Date
Series 1	Unsecured	05/12/2014	57050	120	AAA	8.85%	05/12/2024
Series 2	Unsecured	30/10/2015	30000	120	CRISIL AAA ICRA AAA CARE AAA	8.25%	30/10/2025
Series 3	Unsecured	20/10/2016	50000	84	AAA	7.60%	20/10/2023

Please note that the current credit rating of all the outstanding bonds have been upgraded to "AAA" by rating agencies, except perpetual debt which is having a "AA+" rating.

▪ **Details of Secured Loan Facilities as on 30.09.2018 :-**

Bank has not availed any secured loan facility.

- **Details of Unsecured Loan Facilities:-**

Borrowings as on 30.09.2018

Sr. No.	Particulars	Amount (Rs. In crores)
A	Borrowings in India	**73,108.41**
(i)	Reserve Bank of India	0.00
(ii)	Other Banks	203.15
(iii)	Other institutions & agencies	72,905.26
B.	Borrowings outside India	**75,290.98**
	Total	**1,48,399.39**

Sr. No.	Particulars	Amount (Rs. In crores)
A	Demand Deposits	
(i)	From Banks	4,700.08
(ii)	From Others	75,427.51
	Total (Demand Deposits) (A)	**80,127.59**
B.	**Savings Bank Deposit (B)**	**1,48,742.18**
C.	Term Deposit	
(i)	From Banks	12,025.48
(ii)	From Others	2,38,784.31
	Total (Term Deposits) (C)	**2,50,809.79**
	Total Deposits (A + B + C)	**4,79,679.57**

- **Amount of corporate guarantees issued by the Issuer in favour of various counter parties including its subsidiaries, joint venture entities, group companies etc.**

The Issuer has not issued any corporate guarantee in favour of any counterparty including its subsidiaries, joint venture entities, group companies etc.

- **Certificate of Deposits issued by the Issuer, outstanding as on 30.09.2018**

Sr. No.	Maturity Date	Maturity Amount value (Amt in Rs.)
1	3-Oct-18	3,56,00,00,000.00
2	4-Oct-18	10,00,00,00,000.00
3	5-Oct-18	12,00,00,00,000.00
4	8-Oct-18	13,00,00,00,000.00
5	15-Oct-18	10,00,00,00,000.00
6	16-Oct-18	6,00,00,00,000.00
7	22-Oct-18	2,00,00,00,000.00
8	31-Oct-18	2,00,00,00,000.00
9	2-Nov-18	5,50,00,00,000.00
10	5-Nov-18	7,00,00,00,000.00
11	6-Nov-18	9,75,00,00,000.00
12	9-Nov-18	3,00,00,00,000.00
13	12-Nov-18	2,00,00,00,000.00
14	20-Nov-18	9,25,00,00,000.00
15	22-Nov-18	10,38,00,00,000.00
16	26-Nov-18	17,00,00,00,000.00

17	27-Nov-18	16,00,00,00,000.00
18	30-Nov-18	1,10,00,00,000.00
19	3-Dec-18	14,75,00,00,000.00
20	4-Dec-18	8,00,00,00,000.00
21	5-Dec-18	16,00,00,00,000.00
22	6-Dec-18	7,00,00,00,000.00
23	10-Dec-18	6,50,00,00,000.00
24	11-Dec-18	9,85,00,00,000.00
25	12-Dec-18	2,00,00,00,000.00
26	13-Dec-18	20,00,00,000.00
27	20-Dec-18	11,50,00,00,000.00
28	24-Dec-18	4,13,00,00,000.00
29	28-Dec-18	2,00,00,00,000.00
30	17-Jan-19	10,00,00,000.00
31	22-Jan-19	4,00,00,00,000.00
32	24-Jan-19	6,80,00,00,000.00
33	25-Jan-19	11,00,00,00,000.00
34	29-Jan-19	34,25,00,00,000.00
35	31-Jan-19	11,00,00,00,000.00
36	22-Feb-19	14,00,00,00,000.00
37	25-Feb-19	9,50,00,00,000.00
38	26-Feb-19	21,50,00,00,000.00
39	27-Feb-19	5,00,00,00,000.00
40	28-Feb-19	4,00,00,00,000.00
41	1-Mar-19	25,00,00,000.00
42	5-Mar-19	5,00,00,00,000.00
43	6-Mar-19	20,25,00,00,000.00
44	7-Mar-19	14,50,00,00,000.00
45	8-Mar-19	13,75,00,00,000.00
46	12-Mar-19	6,00,00,00,000.00
47	10-May-19	2,00,00,00,000.00
48	17-May-19	60,00,00,000.00
49	4-Jun-19	5,00,00,00,000.00
50	10-Jun-19	3,15,00,00,000.00
51	28-Jun-19	7,25,00,00,000.00

52	8-Aug-19		11,00,00,00,000.00
53	9-Aug-19		6,75,00,00,000.00
54	23-Aug-19		2,00,00,00,000.00
	Total		4,40,12,00,00,000.00

- **Details of Commercial Paper:- The total face value of Commercial Papers Outstanding as on 30.09.2018 :** NIL

- **Other Borrowings (Including Hybrid Debt Like Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Bonds/ Debentures/ Preference Shares) as on 30.09.2018**

The Issuer has not issued any hybrid debt like Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Bonds/ Debentures ("OCBs")/ Preference Shares etc.

- **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years. - NIL**

X. RECENT MATERIAL EVENT / DEVELOPMENT ANY MATERIAL EVENT / DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER OR PROMOTERS, TAX LITIGATIONS, RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC.) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES

a. ***Smt. Shikha Sharma's tenure as Managing Director and CEO of the Bank to end on 31 December 2018 and the RBI has approved Shri Amitabh Chaudhry's appointment as her successor.***

The Board of Directors (the Board) of the Bank at its meeting held on 7th December 2017 had re-appointed Smt. Shikha Sharma as the Managing Director & CEO of the Bank for a further period of three years w.e.f. 1st June 2018. At the meeting of the Board of Directors held on 9th April 2018, Smt. Shikha Sharma requested the Board that the period of her re-appointment as the Managing Director & CEO of the Bank be revised from 1st June 2018 up to 31st December 2018. The Board considered her request and approved her re-appointment as the Managing Director & CEO of the Bank from 1st June 2018 up to 31st December 2018 (both days inclusive) and the terms and conditions relating to the said re-appointment, including remuneration, subject to the approval of the RBI and the Shareholders of the Bank. The RBI and the Shareholders have granted approval to the said re-appointment and the terms and conditions, including remuneration thereof.

The current term of Smt. Shikha Sharma is due to expire on 31st December 2018. The Board at its meeting held on 9th July 2018, finalized the names of three candidates as part of the panel of names, in order of preference, for being appointed as the Managing Director & CEO of the Bank and the terms and conditions relating to the said appointment, including remuneration, and recommended the same for the approval of the Reserve Bank of India (RBI). Subsequently, the Board at its meeting held on 8th September 2018 has taken on record the approval granted by the RBI to the appointment of Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank, for a period of 3 years, with effect from 1st January 2019 up to 31st December 2021 (both days inclusive) and the terms and conditions relating to the said appointment, including remuneration. The Board also decided that a meeting of the Board will be convened in due course to inter alia, approve the appointment of Shri Amitabh Chaudhry as an Additional Director of the Bank and as the Managing Director & CEO of the Bank, in terms of the said RBI approval and subject to compliance with the prescribed formalities under extant laws.

Thereafter, the Board at its meeting held on 8th December 2018 appointed Shri Amitabh Chaudhry as an Additional Director of the Bank and to hold office as such till the conclusion of the ensuing Annual General Meeting and as the Managing Director & CEO of the Bank, for a period of 3 years, with effect from 1st January 2019 upto 31st December 2021 (both days inclusive) on the terms and conditions relating to the said appointment, including remuneration, as approved by the RBI, subject to the approval of the Shareholders of the Bank. The Bank is in the process of obtaining the approval of the Shareholders for the said appointment by way of Postal Ballot vide its Postal Ballot Notice dated 8th December 2018. The results of the Postal Ballot will be declared on or before 19th January 2019.

Shri Amitabh Chaudhry, age 54 years, was the Managing Director & CEO of HDFC Standard Life Insurance Company Ltd ("HDFC Life"). He had been associated with HDFC Life since January 2010.

Shri Chaudhry is a B. Tech in (Electronics & Electricals) from the Birla Institute of Technology & Science, Pilani and is an alumnus of Indian Institute of Management, Ahmedabad.

Shri Chaudhry started his career in the Corporate Banking with Bank of America in 1987, where he worked in diverse roles ranging from Country Finance Officer, Head of Wholesale and GCMG Finance in Asia Division and thereafter as Managing Director and Head Technology Investment Banking, Asia. Shri Chaudhry was also associated with CALYON Bank (formerly Credit Lyonnais Securities Asia (CLSA), as its Managing Director, Head South East Asian Investment Banking and Head Technology Investment Banking. Prior to joining HDFC Life, he joined Infosys BPO Ltd. in 2003 and was elevated as its Managing Director & CEO in 2006. He was also Head - Independent Validation & Testing Unit (IVS) of Infosys Technologies Ltd.

b. ***Shri V. Srinivasan Whole-Time Director (Deputy Managing Director)***

Shri V. Srinivasan, Deputy Managing Director of the Bank has retired from the services of the Bank and has accordingly ceased to be the Whole-time Director (designated as Deputy Managing Director) of the Bank, with effect from close of business hours on 20th December 2018.

c. ***Cessation of the Bank's bullion business***

On 4 April 2018, the Bank announced that the RBI did not approve the Bank's request to renew the authorisation allowing the Bank to import gold for fiscal 2019. The Bank has since ceased its bullion business.

Apart from the above, there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.

Audited Consolidated Financial Information of the Issuer

a. **Statement of Profit & Loss**

(Rs. in crores)

Sr. No.	**Parameters**	**FY 2017-18**	**FY 2016-17**	**FY 2015-16**
I.	**INCOME**			
a.	Interest earned	46,614.06	45,175.09	41,409.25
b.	Other Income	11,862.61	12,421.60	9,954.98
	Total Income	58,476.67	**57,596.69**	**51,364.23**
II.	**EXPENDITURE**			
a.	Interest Expended	27,603.69	26,789.34	24,344.23
b.	Operating expenses	14,788.36	12,725.63	10,611.37
c.	Provisions and Contingencies	15,620.59	14,114.69	8,051.04
	Total Expenditure	58,012.65	53,629.66	**43,006.64**
III.	**PROFIT FOR THE YEAR**	464.02	3,967.03	**8,357.59**
	Share of (profit)/Loss of Minority shareholders	(8.20)	(14.00)	(7.92)
	Share in Profit/(Loss) of Associate	-	-	-
	Profit brought forward from earlier year	24,881.55	24,002.70	17,789.75
IV	**TOTAL**	25,337.37	**27,955.73**	**26,139.41**
	APPROPRIATIONS			
	Transfer to Statutory Reserve	68.92	919.82	2,055.92
	Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934	41.88	33.06	22.16
	Transfer to Investment Reserve	103.45	(87.17)	(41.81)
	Transfer to Capital Reserve	101.66	755.57	62.04
	Transfer to General Reserve	8.06	6.87	5.40
	Transfer to Reserve Fund	1.62	1.75	1.74
	Proposed Dividend	1,457.40	1,444.26	31.26
	Balance carried over to Balance Sheet	23,554.35	**24,881.57**	**24,002.71**
	Earnings Per Share (Basic) (in Rs.)	1.86	16.54	35.12
	Earnings Per Share (Diluted) (in Rs.)	1.86	16.48	34.93

b. **Balance Sheet**

(Rs. in crores)

Sr. No.	**Parameters**	**FY 2017-18**	**FY 2016-17**	**FY 2015-16**
I.	CAPITAL AND LIABILITIES			
a.	Capital	513.31	479.01	476.57

b.	Reserves and Surplus	63,694.10	55,901.34	53,082.19
c.	Minority Interest	69.51	61.31	39.05
d.	Deposits	455,657.76	4,14,982.68	3,58,302.19
e.	Borrowings	155,767.10	1,12,454.76	1,13,847.73
f.	Other Liabilities and Provisions	28,001.59	27,582.92	20,638.88
	Total	703,703.37	6,11,462.01	5,46,386.61
II.	**ASSETS**			
a.	Cash and Balances with Reserve Bank of India	35,481.06	30,857.95	22,361.16
b.	Balances with Banks and Money at Call and Short Notice	8,429.75	20,108.17	11,341.65
c.	Investments	153,036.71	1,29,018.35	1,31,398.64
d.	Advances	449,843.65	3,81,164.67	3,44,663.32
e.	Fixed Assets	4,048.82	3,810.23	3,573.76
f.	Other Assets	52,863.38	46,502.64	33,048.08
	Total	703,703.37	6,11,462.01	5,46,386.61

c. Cash flow statement

(Rs. in crores)

	Year ended		
	31-03-2018	**31-03-2017**	**31-03-2016**
Cash flow from operating activities			
Net profit before taxes	557.68	5,939.80	12,682.05
Adjustments for:			
Depreciation on fixed assets	590.58	526.67	461.39
Depreciation on investments	(207.68)	244.18	84.11
Amortisation of premium on Held to Maturity investments	285.32	140.15	78.37
Provision for Non Performing Assets (including bad debts)	16,630.57	11,157.06	3,800.46
Provision on standard assets	(124.37)	364.34	395.70
Provision for wealth tax	0.00	0.00	-0.05
(Profit)/Loss on sale of fixed assets (net)	16.71	3.88	-6.06
Provision for country risk	(19.94)	19.94	0.00
Provision for restructured assets/strategic debt restructuring	(307.16)	290.52	-61.78
Provision on unhedged foreign currency exposure	(9.30)	-13.88	1.62
Provision for other contingencies	(443.38)	65.74	-501.40
	16,969.02	18,738.43	16,934.40
Adjustments for:			
(Increase)/Decrease in investments	(7,730.27)	12,692.84	-17,612.90
(Increase)/Decrease in advances	(83,304.68)	-46,539.73	-63,833.63
Increase /(Decrease) in deposits	40,675.09	56,680.48	36,058.02
(Increase)/Decrease in other assets	2,039.09	-10,204.13	-4,050.22
Increase/(Decrease) in other liabilities & provisions	(3,755.92)	6,162.35	2,549.82
Direct taxes paid	(3,282.62)	-5,321.61	-4,540.16
Net cash flow from operating activities	(38,390.30)	32,208.62	(34,494.67)
Cash flow from investing activities			
Purchase of fixed assets	(854.98)	-773.71	-1,494.40
(Increase)/Decrease in Held to Maturity investments	(8,808.54)	-11,675.96	10,700.43
Purchase of Freecharge Business	(395.46)		
Proceeds from sale of fixed assets	12.05	6.52	19.27
Net cash used in investing activities	(10,046.93)	(12,443.16)	9,225
Cash flow from financing activities			
Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment)	8,110.94	5,545.87	1,226.41
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments)	25,847.39	-6,938.85	22,291.82
Proceeds from issue of share capital	34.30	2.44	2.46
Proceeds from share premium (net of share issue expenses)	8,798.65	325.63	302.88
Payment of dividend	(1,457.40)	-1,444.26	-1,336.80
Increase in minority interest	8.21	22.25	7.92
Net cash generated from financing activities	41,342.09	-2,486.91	22,494.69
Effect of exchange fluctuation translation reserve	(4.31)	-15.25	-14.59
Net cash and cash equivalents taken over on acquisition of Freecharge Business	44.15		

Net increase in cash and cash equivalents	(7,055.30)	17,263.31	-2,789.29
Cash and cash equivalents at the beginning of the year	50,966.12	33,702.81	36,492.10
Cash and cash equivalents at the end of the year	43,910.81	50,966.12	33,702.81
Notes to the Cash Flow Statement:			
1. Cash and cash equivalents includes the following			
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	35,481.06	30,857.95	22,361.16
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	8,429.75	20,108.17	11,341.65
Cash and cash equivalents at the end of the year	43,910.81	50,966.12	33,702.81

There have been no auditor qualifications set out in the said audited information

Audited Standalone Financial Information of the Issuer

d. Statement of Profit & Loss

(Rs. in crores)

Sr. No.	**Parameters**	**FY 2017-18**	**FY 2016-17**	**FY 2015-16**
I.	INCOME			
a.	Interest earned	45,780.31	44,542.16	40,988.04
b.	Other Income	10,967.09	11,691.31	9,371.46
	Total Income	**56747.40**	**56,233.47**	**50,359.50**
II.	EXPENDITURE			
a.	Interest Expended	27,162.58	26,449.04	24,155.07
b.	Operating expenses	13,990.34	12,199.91	10,100.82
c.	Provisions and Contingencies	15,318.80	13,905.24	7,879.95
	Total Expenditure	56,471.72	52,554.19	**42,135.84**
III.	**PROFIT FOR THE YEAR**	275.68	3,679.28	**8,223.66**
	Profit brought forward from earlier year	24,448.33	23,766.46	17,623.49
IV	**TOTAL**	**24,724.01**	**27,445.74**	**25,847.15**
	APPROPRIATIONS			
	Transfer to Statutory Reserve	68.92	919.82	2,055.92
	Transfer to Investment Reserve	103.49	-87.17	(41.81)
	Transfer to Capital Reserve	101.66	755.57	62.04
	Transfer to Reserve Fund	1.62	1.75	1.74
	Dividend Paid	1,405.28	1,407.43	2.81
	Balance in Profit & Loss Account carried forward	**23,043.05**	**24,448.33**	**23,766.45**
	Earnings Per Share (Basic) (in Rs.)	1.13	15.40	34.59
	Earnings Per Share (Diluted) (in Rs.)	1.12	15.34	34.40

e. Balance Sheet

(Rs. in crores)

Sr. No.	**Parameters**	**As on 31-03-2018**	**As on 31-03-2017**	**As on 31-03-2016**
I.	**CAPITAL AND LIABILITIES**			
a.	Capital	513.31	479.01	476.57
b.	Reserves and Surplus	62,931.95	55,283.53	52,688.34
c.	Deposits	4,53,622.72	4,14,378.79	3,57,967.56
d.	Borrowings	1,48,016.14	1,05,030.87	1,08,580.38
e.	Other Liabilities and Provisions	26,245.45	26,295.47	20,108.17
	Total	**6,91,329.58**	**6,01,467.67**	**5,39,821.02**
II.	**ASSETS**			
a.	Cash and Balances with Reserve Bank of India	35,481.06	30,857.94	22,361.15
b.	Balances with Banks and Money at Call and Short Notice	7,973.83	19,398.24	10,964.29
c.	Investments	1,53,876.08	1,28,793.37	1,31,524.06
d.	Advances	4,39,650.30	3,73,069.35	3,38,773.72
e.	Fixed Assets	3,971.68	3,746.89	3,523.17
f.	Other Assets	50,376.62	45,601.87	32,674.62
	Total	**6,91,329.58**	**6,01,467.67**	**5,39,821.02**

f. **Cash flow statement**

(Rs. in crores)

	Year ended		
	31-03-2018	**31-03-2017**	**31-03-2016**
Cash flow from operating activities			
Net profit before taxes	121.57	5,467.56	12,393.75
Adjustments for:			
Depreciation on fixed assets	568.10	508.80	443.91
Depreciation on investments	(211.01)	238.70	84.01
Amortisation of premium on Held to Maturity investments	281.97	135.28	72.86
Provision for Non Performing Assets (including bad debts)	16,598.71	11,157.06	3,800.46
Provision on standard assets	(135.00)	348.45	387.01
Provision on unhedged foreign currency exposure	(9.30)	-13.88	1.62
Provision for wealth tax	0.00	0.00	-0.05
(Profit)/loss on sale of fixed assets (net)	16.38	3.55	-6.20
Provision for country risk	(19.94)	19.94	0.00
Provision for restructured assets/strategic debt restructuring	(307.16)	290.52	-61.78
Provision for other contingencies	(443.38)	76.16	-501.40
	16,460.92	18,232.15	16,614.18
Adjustments for:			
(Increase)/Decrease in investments	(17,438.11)	13,271.77	-4,017.71
(Increase)/Decrease in advances	(81,174.80)	-44,418.41	-61,309.66
Increase /(Decrease) in deposits	39,243.93	56,411.23	35,525.62
(Increase)/Decrease in other assets	(1,614.71)	-9,632.42	-4,239.44
Increase/(Decrease) in other liabilities & provisions	835.39	5,411.08	2,596.70
Direct taxes paid	(3,005.92)	-5,083.12	-4,353.08
Net cash flow from operating activities	**(46,693.30)**	**34,192.28**	**-19,183.38**
Cash flow from investing activities			
Purchase of fixed assets	(822.43)	-742.70	-1,463.71
(Increase)/Decrease in Held to Maturity investments	(8,968.87)	-11,785.77	-3,885.47
Purchase of Freecharge business	(395.46)		
(Increase)/Decrease in Investment in Subsidiaries	(325.00)	-108.38	-105.52
Proceeds from sale of fixed assets	11.46	6.46	19.19
Net cash used in investing activities	**(10,500.31)**	**-12,630.39**	**-5,435.51**
Cash flow from financing activities			
Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment)	8,110.94	5,545.87	1,226.41
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments)	34,874.34	-9,095.38	21,659.70
Proceeds from issue of share capital	34.30	2.44	2.46
Proceeds from share premium (net of share issue expenses)	8,786.48	325.63	302.88
Payment of dividend	(1,405.28)	-1,407.43	-1,308.35
Net cash generated from financing activities	**50,400.78**	**-4,628.87**	**21,883.10**
Effect of exchange fluctuation translation reserve	(8.47)	-2.28	-37.81
Net increase in cash and cash equivalents	(6,801.29)	16,930.74	-2,773.59
Cash and cash equivalents at the beginning of the year	50,256.18	33,325.44	36,099.03
Cash and cash equivalents at the end of the year	43,454.89	50,256.18	33,325.44
Notes to the Cash Flow Statement:			
1. Cash and cash equivalents includes the following			

Cash and Balances with Reserve Bank of India (Refer Schedule 6)	35,481.06	30,857.94	22,361.15
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	7,973.83	19,398.24	10,964.29
Cash and cash equivalents at the end of the year	**43,454.89**	**50,256.18**	**33,325.44**

There have been no auditor qualifications set out in the said audited information

(Rs. in crores)

Business Performance	**As on 31st March 2018**	**As on 31st March 2017**	**As on 31st March 2016**
Total Deposits	453,623	414,379	357,968
Demand Deposits	243,852	213,050	169,445
- Savings Bank Deposits	148,202	126,048	105,793
- Current Account Deposits	95,650	87.002	63,652
Demand Deposits as % of Total Deposits	53.76%	51%	47%
Term Deposits	209,771	201,329	188,523
Retail Term Deposits	137,795	123,925	121,955
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the Year	179,731	151,678	122,989
Demand Deposits as % Total Deposits (CDAB) for the Year	45.83%	43%	40%
Net Advances	439,650	373,069	338,774
- Corporate Credit	174,446	155,904	155,384
- SME	58,740	49,172	44,869
- Retail Advances	206,465	167,993	138,521
Investments	153,876	128,793	122,006
Balance Sheet Size	691,330	601,468	525,468
Net NPA as % of Net Customer Assets	3.40%	2.11%	0.70%
Gross NPA as % of Gross Customer Assets	6.77%	5.04%	1.67%
Equity Capital	513	479	477
Shareholders' Funds	63,445	55,763	53,165
Capital Adequacy Ratio (Basel III)	16.57%	14.95%	15.29%
- Tier I	13.04%	11.87%	12.51%
- Tier II	3.53%	3.08%	2.78%

g. **Latest Limited Review Quarterly Standalone Financial Information Of the Issuer quarter ending September 30, 2018.**

Profit & Loss Statement :

(Rs. in crores)

PARTICULARS	**FOR THE Q2 ENDED 30.09.2018**	**FOR THE Q2 ENDED 30.09.2017**	**FOR THE H1 ENDED 30.09.2018**	**FOR THE H1 ENDED 30.09.2017**	**FOR THE YEAR ENDED 31.03.2018**	**FOR THE YEAR ENDED 31.03.2017**	**FOR THE YEAR ENDED 31.03.2016**
					(audited)	(audited)	(audited)
1. Interest earned (a)+(b)+(c)+(d)	13,280.99	11,235.08	26,058.01	22,287.57	45,780.31	44,542.16	40,988.04
(a) Interest/discount on advances/ bills	9,954.99	8,406.31	19,566.54	16,616.89	34,137.47	33,124.96	30,040.56
(b) Income on Investments	2,801.56	2,432.03	5,484.04	4,849.90	9,983.30	9,622.82	9,377.59
(c) Interest on balances with Reserve Bank of	161.82	86.38	286.38	199.07	387.83	503.84	295.25

India and other inter-bank funds							
(d) Others	362.62	310.36	721.05	621.71	1,271.71	1,290.54	1,274.64
2. Other Income (Refer note 2)	2,678.38	2,585.54	5,603.37	5,585.35	10,967.09	11,691.31	9,371.46
3. TOTAL INCOME (1+2)	15,959.37	13,820.62	31,661.38	27,872.92	56,747.40	56,233.47	50,359.50
4. Interest Expended	8,048.88	6,695.46	15,659.10	13,131.81	27,162.58	26,449.04	24,155.07
5. Operating expenses (i)+(ii)	3,816.49	3,347.84	7,536.24	6,672.63	13,990.34	12,199.91	10,100.82
(i) Employees cost	1,174.65	1,082.84	2,402.45	2,171.09	4,312.96	3,891.86	3,376.01
(ii) Other operating expenses	2,641.84	2,265.00	5,133.79	4,501.54	9,677.38	8,308.05	6,724.81
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	11,865.37	10,043.30	23,195.34	19,804.44	41,152.92	38,648.95	34,255.89
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	4,094.00	3,777.32	8,466.04	8,068.48	15,594.48	17,584.52	16,103.61
8. Provisions (other than tax) and Contingencies (Net)	2,927.38	3,140.41	6,265.08	5,482.34	15,472.91	12,116.96	3,709.86
9. Exceptional Items	-	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	1,166.62	636.91	2,200.96	2,586.14	121.57	5,467.56	12,393.75
11. Tax expense	377.01	204.53	710.26	848.16	-154.11	1,788.28	4,170.09
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	789.61	432.38	1,490.70	1,737.98	275.68	3,679.28	8,223.66
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	789.61	432.38	1,490.70	1,737.98	275.68	3,679.28	8,223.66
15. Paid-up equity share capital (Face value Rs.2/- per share)	513.82	479.53	513.82	479.53	513.31	479.01	476.57

XI. PARTICULARS OF ANY OUTSTANDING BORROWINGS TAKEN/THE DEBT SECURITIES ISSUED WHERE TAKEN/ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART; (II) AT A PREMIUM OR DISCOUNT: (III) IN PURSUANCE OF AN OPTION.

There are no outstanding borrowings **or** debt securities taken or issued for (i) consideration other than cash, whether in whole or part; (ii) at a premium or discount: (iii) in pursuance of an option.

XII. A LIST OF HIGHEST TEN HOLDERS OF EACH CLASS OR KIND OF SECURITIES OF THE ISSUER AS ON THE DATE OF THIS DISCLOSURE DOCUMENT ALONG WITH THE PARTICULARS AS TO THE NUMBER OF SHARES OR DEBT SECURITIES HELD BY THEM AND THE ADDRESS OF EACH SUCH HOLDER.

List of top 10 shareholders of the Bank, as on 30.09.2018

Sr. No.	Particulars	Total No. of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares
1	Life Insurance Corporation Of India	34,94,51,108	34,94,51,108	13.62
2	Administrator Of The Specified Undertaking Ofthe Unit Trust Of India	25,32,70,690	25,32,70,690	9.87
3	The Bank Of New York Mellon, Dr	11,53,42,680	11,53,42,680	4.49
4	Oakmark International Fund	8,40,27,467	8,40,27,467	3.27
5	Dodge And Cox International Stock Fund	7,94,50,400	7,94,50,400	3.10
6	Europacific Growth Fund	6,55,87,857	6,55,87,857	2.56
7	Bc Asia Investments Vii Limited - Fdi	5,56,00,000	5,56,00,000	2.17
8	Bharat 22 Etf	4,50,88,951	4,50,88,951	1.76
9	Franklin Templeton Mutual Fund A/C Franklin Indiahigh Growth Companies Fund	4,10,37,912	4,10,37,912	1.60
10	General Insurance Corporation Of India	3,72,50,000	3,72,50,000	1.45
	Total	**1,12,61,07,065**	**1,12,61,07,065**	**43.88**

AXIS BANK BONDS - TOP 10 HOLDERS AS ON 30.09.2018

Sr No.	Particulars	Holding	Amount
1	CBT EPF-11-D-DM	133108	133108000000
	Standard Chartered Bank, CRESCENZO		
	Securities Services, 3rd Floor		
	C-38/39 G-Block, BKC Bandra (East)		
	Mumbai India		
	400051		
2	LIC OF INDIA CHILD FORTUNE PLUS BALANCED FUND	100000	100000000000
	0LICEND+SEC512		
	HDFC BANK LTD CUSTODY SERVICES		
	LODHA -I THINK TECHNO CAMPUS OFF		
	FLR 8, NEXT TO KANJURMARG RLY STN		
	KANJURMARG -E, MUMBAI		
	400042		
3	NPS TRUST- A/C SBI PENSION FUND SCHEME - CENTRAL G	35840	35840000000
	OVT		
	C/O SBI PENSION FUNDS PVT. LTD.		
	NO. 32, MAKER CHAMBERS - III		
	NARIMAN POINT		
	MUMBAI		
	400021		
4	ICICI PRUDENTIAL BOND FUND	26100	26100000000
	HSBC SECURITIES SERVICES		
	11TH FLR, BLDG NO.3, NESCO - IT PARK		
	NESCO COMPLEX, W E HIGHWAY		
	GOREGAON EAST, MUMBAI		
	400063		
5	RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE SHORT	10894	10894000000
	TERM FUND		
	DEUTSCHE BANK AG		
	DB HOUSE, HAZARIMAL SOMANI MARG		

	POST BOX NO. 1142, FORT		
	MUMBAI		
	400001		
6	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANT	9900	9900000000
	AGE FUND		
	CITIBANK N.A. CUSTODY SERVICES		
	FIFC- 11TH FLR, G BLOCK		
	PLOT C-54 AND C-55, BKC		
	BANDRA - EAST, MUMBAI		
	400098		
7	THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND	8150	8150000000
	STATE BANK OF INDIA		
	SECURITIES SERVICES BRANCH		
	MUMBAI MAIN BRANCH BUILDING 2ND FLR		
	MUMBAI SAMACHAR MARG FORT MUMBAI		
	400001		
8	SBI LIFE INSURANCE CO.LTD	7700	7700000000
	HDFC BANK LIMITED CUSTODY SERVICES		
	LODHA-I THINK TECHNO CAMPUS 8TH FLR		
	NEXT TO KANJURMARG RAILWAY STATION		
	KANJURMARG E MUMBAI		
	400042		
9	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	6600	6600000000
	Standard Chartered Bank, CRESCENZO		
	Securities Services, 3rd Floor		
	C-38/39 G-Block, BKC, Bandra (East)		
	Mumbai India		
	400051		
10	THE LIFE INSURANCE CORPORATION OF INDIA PROVIDENT	6400	6400000000
	FUND NO 1		
	3RDFLOOR FINANCE AND ACCOUNTS DEPT		
	CENTRAL OFFICE YOGAKSHEMA WEST WING		
	JEEVAN BIMA MARG NARIMAN POINT		
	MUMBAI		
	400021		
	Total	**344692**	**344692000000**

Note: Details are provided in respect of the Top 10 holders" (in value terms, on cumulative basis for all outstanding debentures issues) details are provided

XIII. UNDERTAKING TO USE A COMMON FORM OF TRANSFER

The transfer of Debentures in dematerialized form would be in accordance with the rules/procedures as prescribed by NSDL / CDSL / Depository Participant from time to time.

"The Debentures issued under this Issue would only be in dematerialized form. No request for issue of physical certificates in lieu of the dematerialized Debentures can be accepted.

Pursuant to listing of Debentures on Stock Exchanges, trading in the Debentures will only be allowed in the compulsory demat segment. Since the market lot will be one Debenture and are being issued only in dematerialized form, no odd lots will arise either at the time of issuance or at the time of transfer of the Debentures. However, the Issuer undertakes to stipulate a common transfer form for physical holdings, if at any time Debentures in physical form come into existence due to exercise of a rematerialisation option provided by the Depository to any Investor."

XIV. REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION

For details, please refer the Term Sheet enclosed with this document.

XV. INFORMATION RELATING TO THE TERMS OF THE OFFER OR PURCHASE

Terms of present Issue

For details, please refer the Term Sheet enclosed with this Disclosure Document.

Disputes & governing law

The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of Courts at Mumbai.

Authority for the present issue

The Board of Directors at its meeting held on 26 April, 2018 which continued on 27 April 2018 had approved the proposal for borrowing / raising funds in Indian currency / foreign currency by issue of debt instruments upto Rs. 35,000 crore in domestic and/or overseas market, in one or more tranches. Further, the Bank had obtained the approval of its shareholders for issuing of debt instruments in Indian/foreign currency amounting to Rs.35,000 crore at the Twenty Fourth Annual General Meeting held on 20th June 2018. This limit is valid for a period of one year from the date of approval at the AGM, held on 20th June 2018.

Further, the Debentures offered in terms of the Disclosure Document are subject to the relevant provisions of the Companies Act, 2013, Securities Contract Regulation Act, 1956, Rules, Regulations and Guidelines issued thereunder, Memorandum and Articles of Association of the Bank, instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange(s) or any other statutory / regulatory authorities and other documents that may be executed in respect of the Debentures.

Nature and status of Debentures

The Debentures are to be issued in the form of Unsecured Redeemable Non-Convertible Debentures. The Debentures will constitute direct, unsecured borrowing ranking ~~pari passu~~ with existing/ future other uninsured unsecured creditors of the Bank as regards repayment of principal and interest.

In terms of RBI circular no. RBI/2014-15/127 DBOD.BP.BC.No.25 / 08.12.014/ 2014 dated July 15, 2014, circular no. DBR.BP.BC.No.50 / 08.12.014 / 2014-15 dated November 27, 2014 and DBR.BP.BC.No.98 / 08.12.014 / 2014-15 dated June 1, 2015 issued by the Reserve Bank of India on "Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing" these Debentures shall be fully paid, redeemable and unsecured and would rank pari-passu along with other uninsured, unsecured creditors.

Cross Holding

Banks can invest in the long term bonds issued by other banks. However, such investments are subject to conditions as follows as per RBI circular dated June 1, 2015:

- Banks' investment in such bonds will not be treated as 'assets with the banking system in India' for the purpose of calculation of NDTL.
- Such investments are not to be held under HTM category.
- An investing bank's investment in a specific issue of such bonds will be capped at 2% of the investing bank's Tier 1 Capital or 5% of the issue size, whichever is lower.
- An investing bank's aggregate holding in such bonds will be capped at 10% of its total Non-SLR investments.
- Not more than 20% of the primary issue size of such bond issuance can be allotted to banks.
- Banks cannot hold their own bonds.

Minimum subscription

1 Debenture and in multiples of 1 Debenture thereafter

Listing

The Debentures will be listed on the WDM segment of the BSE and NSE.

Market lot

1 Debenture or in multiples of 1.

Put / Call Option

Neither put option shall be available to the Debenture Holder(s), nor would call option be available to the Bank to redeem the Debentures prior to maturity.

Security

The Debentures are unsecured in Nature.

Redemption Date

For details, please refer the Term Sheet enclosed with this document.

Terms of payment / Pay-in Date

The full face value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the subscription amount for the full face value of the Debentures applied for.

Record Date

The 'Record Date' for the Debentures shall be 15 calendar days prior to each interest payment and / or principal repayment date.

Depository arrangements

The Bank has appointed Karvy Fintech Private Limited, Hyderabad as Registrars & Transfer Agents for the present Debenture issue. The Bank has made / shall be making necessary depository arrangements with National Securities Depository Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) for issue and holding of Debentures in dematerialised form. Investors shall hold the Debentures only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996, as amended, from time to time.

Issue of Debentures in dematerialized form

The Issuance of Debentures shall be in dematerialized form only.

Electronic Book Platform (EBP)

The current issuance is done on the Electronic Book Platform in terms of SEBI circular no SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018 and SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and the guidelines issued by the BSE and the NSE in this regards.

Below are the details of the Issuance in EBP:

Issue/Bid Opening	26 December 2018
Issue/Bid Closing	26 December 2018
Pay-in Date	T+2
Allocation Option	Uniform Rate
Type of Bidding	Closed Bidding
Settlement Mechanism	Through Clearing Corporation of BSE i.e. ICCL

Trading

The Debentures shall be traded in Demat mode only.

Procedure for applying in demat form

- The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application Form.
- Debentures allotted to an applicant will be credited directly to the applicant's respective beneficiary account(s) with the DP.

- For subscribing the Debentures, names in the Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- The Registrars to the Issue will directly send non-transferable allotment advice/refund orders to the applicant.
- If incomplete/incorrect details are given in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Bank.
- For allotment of Debentures, the address and other details of the applicant as registered with its DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of its demographic details given in the application form vis-a-vis those with its DP.
- In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.
- It may be noted that Debentures being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. NSE & BSE where the Debentures of the Bank are proposed to be listed has connectivity with NSDL and CDSL.
- Interest or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to the Bank as on Record Date. In case of those Debentures for which the beneficial owner is not identified by the Depository as on the Record Date, the Bank would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Bank, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Procedure and time schedule for allotment/ refund

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) / Depository Participant will be given initial credit within 2 days from the Date of Allotment. The initial credit in the account will be akin to the letter of allotment. On completion of the all-statutory formalities, such credit in the account will be akin to a debenture certificate

Oversubscription and basis of allotment

Acceptance of the offer to invest and the allotment shall be decided by the Bank. The Board of Directors / Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money.

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

a. number of Debenture(s) applied for is less than the minimum application size;
b. applications exceeding the issue size;
c. bank account details not given;
d. details for issue of Debenture(s) in electronic/ dematerialised form not given;
e. PAN/GIR and IT Circle/Ward/District not given;
f. in case of applications under power of attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
g. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies on such Debentures will be refunded, as may be permitted.

In the event of issue being oversubscribed, the Bank reserves its full, unqualified and absolute right of allotment/ rejection in full or pro-rata at its discretion without assigning any reason thereof.

Refund orders

The Bank shall ensure the refund by RTGS/NEFT or any other electronic mode or if the refund by electronic mode is not possible then by dispatch of refund order(s), if any, by registered post/speed post/courier/hand delivery.

Impersonation

Any person who-

- makes in a fictitious name an application to a company of acquiring, or subscribing for any Securities therein, or
- otherwise induces a company to allot or register any transferor of Securities therein to him, or any other person in a fictitious name shall be punishable under the extant laws.

Interest on application money:

Interest on application money will be the Coupon Rate (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) from the date of realisation of the funds up to (but excluding) the Date Of Allotment. Where an applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant and the cheque towards interest on the refunded money will be despatched by registered post along with the letter of allotment. In all cases, the interest instruments will be sent, at the sole risk of the applicant. All the payments shall be made by electronic mode only, however in case the same is not possible, in that event only bank shall issue a cheque/DD/Interest warrant.

Effect of holidays

In case an interest payment date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the next working day along with interest for the intervening period.

In case the principal redemption date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the previous working day together with interest accrued till and including one day prior to the previous working date.

Cash flows in respect of Debenture of face value Rs.10 lakh for the above issue

As per SEBI Circular No. CIR/IMD/DF/18/2013 dated 29th October, 2013, illustrative cash flow for Debentures, is as under:

Issuer	**Axis Bank Limited**
Face Value (per security)	Rs. 10,00,000/- per Debenture
Issue Date/Date of Allotment	28th December 2018
Redemption	28th December 2028
Coupon Rate	8.60% p.a.
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual /Actual

Cash Flow	Day	Interest Payment Date	Modified Interest Payment date*	No. of Days in Coupon Period	Amount (in rupees)
1st Coupon	Saturday	28-Dec-2019	30-Dec-2019	365	86,000.00
2nd Coupon	Monday	28-Dec-2020	28-Dec-2020	366	86,000.00
3rd Coupon	Tuesday	28-Dec-2021	28-Dec-2021	365	86,000.00
4th Coupon	Wednesday	28-Dec-2022	28-Dec-2022	365	86,000.00
5th Coupon	Thursday	28-Dec-2023	28-Dec-2023	365	86,000.00
6th Coupon	Saturday	28-Dec-2024	30-Dec-2024	366	86,000.00
7th Coupon	Sunday	28-Dec-2025	29-Dec-2025	365	86,000.00
8th Coupon	Monday	28-Dec-2026	28-Dec-2026	365	86,000.00
9th Coupon	Tuesday	28-Dec-2027	28-Dec-2027	365	86,000.00
10th Coupon	Thursday	28-Dec-2028	28-Dec-2028	366	86,000.00
Principal	Thursday	28-Dec-2028	28-Dec-2028	366	10,00,000.00

* in case of holiday on the date of payment of Interest, kindly consider the modified interest payment date as the next business day. In case of principal, the payment will be made on the previous business day if the principal payment date falls on a holiday.

Applicants are requested to note that the above cash flow is only illustrative in nature. The Date of Allotment, Coupon Rate, Redemption Date and frequency of the Coupon Payment shall vary in actual as per the Term Sheet. For detail regarding Date of Allotment, Coupon Rate, Redemption Date and Frequency of the Coupon Payment please refer to the Term Sheet in this Disclosure Document.

DEBENTURE REDEMPTION RESERVE (DRR)

As per the provisions of the Companies Act, 2013 and the relevant Rules made thereunder every company shall create a Debenture Redemption Reserve for the purpose of redemption of debentures out of the profits of the company available for payment of dividend. However, as per the provision of Companies (Share Capital and Debentures) Rules, 2014, no DRR is required for debentures issued by All India Financial Institutions (AIFIs) regulated by Reserve Bank of India and Banking Companies for both public as well as privately placed debentures. Pursuant to this exemption, the Company does not intend to create any Debenture Redemption Reserve.

Issue/instrument specific regulation – relevant details

The Issuer hereby declares that this Disclosure Document contains full disclosures in accordance with the relevant provisions of the SEBI Regulations. The Issuer shall also comply with the following Acts/Regulations, to the extent applicable as amended from time to time, in relation to the issuance of the Debentures:

(i) The Companies Act, 2013.
(ii) The Companies Act, 1956.
(iii) The Securities Contracts (Regulations) Act, 1956.
(iv) The Securities and Exchange Board of India Act, 1992.
(v) The Depositories Act, 1996.
(vi) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
(vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
(viii) Applicable SEBI Regulations and guidelines issued from time to time.
(ix) Applicable RBI regulations and guidelines issued from time to time.
(x) Rules and regulations issued under any of the above.

Mode of transfer of Debentures

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSE /BSE / Depositories/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof.

Trustee for the Debenture Holders

The Bank has appointed SBICaps Trustee Company Limited to act as Trustee for the Debenture Holders ("Trustee"). The Bank and the Trustee will enter into a trustee agreement, inter alia, specifying the powers, authorities and obligations of the Trustees and the Bank. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Bank to the Trustee on behalf of the Debenture Holder(s) shall discharge the Bank *pro-tanto* to the Debenture Holder(s). The Trustee will protect the interest of the Debenture Holders in the event of default by the Bank in regard to timely payment of interest and they will take necessary action at the cost of the Bank.

Redemption of Debentures

The Debentures will be redeemed at par on the date of redemption. Payment on redemption will be made by RTGS/NEFT or any other electronic mode or in absence of electronic mode then by cheque(s)/ Demand Drafts in the name of the Debenture-Holder whose name appears on the list of beneficial owners given by Depository to the Bank as on the Record Date. On the Bank dispatching the Redemption Amount to such beneficiary(ies) by registered post/speed post/courier/hand delivery/electronic means, the liability of the Bank shall stand extinguished.

The Debentures shall be taken as discharged on dispatch of redemption warrants by the Bank on Maturity to the list of beneficial owners as provided by NSDL/ CDSL/ Depository Participant. The Bank will inform NSDL/ CDSL/Depository Participant about the redemption and the necessary corporate action would be taken.

The Bank's liability to the Debenture Holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of Redemption in all events. Further the Bank will not be liable to pay any interest or compensation from the date of Redemption.

Future borrowings

The Bank shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue bonds/ debentures/ notes other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the Debenture Holder(s) or the Trustee in this connection.

Debentureholder not a shareholder

The Debenture Holders shall not be entitled to any of the rights and privileges available to the shareholders of the Bank.

Applications may be made by

1. Financial Institutions registered under the applicable laws in India which are duly authorised to invest in

debentures;

2. Insurance companies;
3. Primary/ state/ district/ central co-operative banks which are duly authorised to invest in debentures;
4. Provident, gratuity, pension and superannuation funds;
5. Regional rural banks;
6. Mutual funds;
7. Companies, bodies corporate authorised to invest in debentures & bonds;
8. Trusts, association of persons, societies registered under the applicable laws in India, which are duly authorised to invest in debentures.
9. QIB's defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2000.
10. Any other eligible investor not mentioned above.

ALL THE APPLICANTS SHOULD CHECK ABOUT THEIR ELIGIBILITY OF INVESTMENT IN THESE DEBENTURES IN TERM OF THEIR RESPECTIVE STATUTE / REGULATIONS / GUIDELINES GOVERNING THEM OR ANY REGULATORY ORDER APPLICABLE TO THEM.

Issuer has not sought any approval from RBI, SEBI or any other statutory body or any other regulator for seeking subscription from any class of investor.

Applications under power of attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Bank or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Bank from time to time through a suitable communication.

Application by mutual funds

In case of applications by mutual funds, a separate application must be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

Application by provident funds, superannuation funds and gratuity funds

The applications must be accompanied by certified true copies of (I) Trust deed/bye laws/resolutions, (ii) resolution authorising investment and (iii) specimen signatures of the authorised signatories. Those desirous of claiming tax exemptions on interest on application money are compulsorily required to submit a certificate issued by the Income Tax Officer along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.

Tax deduction at source

In terms of Section 193 of Income Tax Act, 1961 tax has to be deducted at source from the interest on securities at the rates prescribed. Further, the proviso to the said Section 193 enlists the securities where tax need not be deducted at source.

Finance Act 2008 has inserted clause (viii) under the proviso to Section 193, which reads as under:

"Any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and rules made thereunder."

The amendment, which is effective 1st June 2008, will have following implications:

- Taxes will not be deducted at source by the Bank from interest paid on debentures, which are listed on the recognized stock exchanges and held in dematerialised form by investors.

However in future, if there is any change in Income Tax Act, 1961, or any other statutory modification or reenactment thereof which requires to deduct tax at source (TDS) then Bank will be deducted TDS at source. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged 30 days before the Coupon Date or 31st March whichever is earlier, each financial year. Tax exemption certificate on interest on application money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Bank shall send to the Debentureholder(s) a Certificate of Tax Deduction at Source. Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate, if any, issued by the Income Tax Officer or a declaration / other document conforming tax exemption along with the Application Form

Debentureholder(s) should also consult their own tax advisers on the tax implications of the acquisition, ownership and sale of these Debentures and income arising thereon.

Succession

In the event of winding-up of the holder of the Debentures (s), the Bank will recognize the executor or administrator of the concerned Debenture-Holder(s), or the other legal representative as having title to the Debenture(s). The Bank shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debentures(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter.

The Bank may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture (s) standing in the name of the concerned Debenture-Holder on production of sufficient documentary proof or indemnity.

Procedure for application and mode of payment

This being a private placement offer, investors who have been addressed through this communication directly only are eligible to apply.

Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects (along with all necessary documents as detailed in the Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centers, accompanied by the subscription amount. Money orders/postal orders will not be accepted. The Bank assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

Only Axis Bank cheques or Axis Bank Demand Draft or RTGS or credit by any other electronic mode shall be accepted. For bank account details, please refer the instructions given with Application Form.

No separate receipt will be issued for the application money. However, the Bank's designated collection branches or arrangers receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgment slip at the bottom of the each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants / cheques due to loss/misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. account number, name of the bank and branch) at the appropriate place in the Application Form. Payment of interest or on redemption will be made by RTGS/NEFT or any other electronic mode or in absence of electronic mode then by cheque(s)/ demand drafts in the name of the applicant / investor. The interest warrants will then be made out in favour of the bank for credit to his/her account so specified and dispatched to the investors, who may deposit the same in the said bank.

Notices

The notices, communications and writings to the Debenture-Holder(s) required to be given by the Issuer shall be deemed to have been given if sent by registered post to the registered Debenture Holder(s) at the address of the Debenture Holder(s) registered with the registered office.

All notices, communications and writings to be given by the Debenture-Holder(s) shall be sent by Registered post or by hand delivery to the issuer at registered office or to such persons at such address as may be notified by the Issuer from time to time and shall be deemed to have been received on actual receipt.

Undertaking by the Bank

The Bank undertakes that: -

a. the complaints received in respect of the Issue shall be attended to by the Bank expeditiously and satisfactorily;
b. it shall take all steps for completion of formalities for listing and commencement of trading at the concerned Stock Exchanges where Debentures are proposed to be listed within specified time frame;
c. necessary co-operation to the Credit Rating Agencies will be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
d. it shall use a common form of transfer for the instrument.

XVI. **THE DISCOUNT AT WHICH SUCH OFFER IS MADE AND THE EFFECTIVE PRICE FOR THE INVESTOR AS A RESULT OF SUCH DISCOUNT**

Debentures are being issued at the face value.

XVII. **THE DEBT EQUITY RATIO PRIOR TO AND AFTER ISSUE OF THE DEBT SECUIRTY**

Gross Debt: Equity Ratio of the company as on 30th September 2018

		(Rs. In crores)
Particulars	**Pre-Issue**	**Post Issue of Bonds***
	(As on 30th Sept 2018)	**(As on 30th Sept 2018)**
Total Borrowing (A)	148,399	151,399
Shareholder's Funds-		
Share Capital	514.00	514.00
Reserves	64,545	64,545
Total Shareholder's Funds (B)	65,059	65,059
Debt Equity Ratio (A/B)	2.28	2.33*

*Issue for the purpose of post issue calculation means- Private placement of unsecured, Nonconvertible, Non-cumulative, Redeemable, Taxable Bonds in the nature of Debentures of face value of Rs. 10 lakhs each for an amount of Rs. 1,000 crores and green shoe option of Rs. 2000 crores aggregating to Rs. 3,000 crores.

* Post issue numbers have been calculated after increasing the debt by Rs. 3,000 crore.

The Capital Adequacy Ratios of the Bank are given below:

(Rupees in crores)	**Under Basel-III**	**Under Basel-III**	**Under Basel-III**	**Under Basel-III**
As on	**30-Sept-2018**	**31-March-2018**	**31-Mar-2017**	**31-Mar-2016**
Tier I Capital	67,447.33	67,476.27	56,039.32	50,517.51
Tier II Capital	18,054.48	18,298.59	14,565.85	11,231.79
Total Capital	**85,501.81**	**85,774.86**	**70,605.17**	**61,749.30**
Total risk weighted assets and contingents	**5,28,782.84**	**5,17,630.78**	**4,72,313.18**	**4,03,949.18**
Capital Ratios				
Tier I	12.76%	13.04%	11.87%	12.51%
Tier II	3.41%	3.53%	3.08%	2.78%
Total Capital	16.17%	16.57%	14.95%	15.29%

XVIII. **SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES, PAYMENT OF DUE INTEREST ON DUE DATES ON TERM LOANS AND DEBT SECURITIES**

The Bank is discharging all its liabilities in time and would continue doing so in future as well. The Bank has been paying interest on the respective due dates for all its existing debenture issues. The Bank has redeemed debentures on the respective due dates.

XIX. **THE PERMISSION/ CONSENT FROM THE PRIOR CREDITOR FOR A SECOND PARI PASSU CHARGE BEING CREATED IN FAVOR OF THE TRUSTEES TO THE PROPOSED ISSUE**

The Bank is not required to obtain any consent from its creditors.

XX. **NAME OF THE TRUSTEE TO THE ISSUE**

SBICAP Trustee Company Limited.
Apeejay House, 6th Floor,
3 Dinshaw Wachha Road, Churchgate,
Mumbai – 400 020.
Tel No. 91 - 22-43025555
Fax No. 91 - 22-22040465.
E-mail: corporate@sbicaptrustee.com

SBICAP Trustee Company Limited has given its consent for its appointment for this particular issue (annexed hereto as **Annexure I**) in accordance with the applicable SEBI Regulations. The Issuer undertakes that the name of the Trustee shall be mentioned in all periodical communication sent to the Debenture Holders.

XXI. RATING RATIONALE ADOPTED BY RATING AGENCIES

CRISIL Limited - "CRISIL AAA/Stable" (pronounced "CRISIL triple A rating with Stable outlook"). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited - "ICRA AAA" (pronounced as ICRA Triple A). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The rating letters issued by CRISIL & ICRA is enclosed as part of **Annexure II**.

XXII. NAMES OF THE RECOGNISED STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED

The Senior Unsecured Redeemable Non-Convertible Debenture is proposed to be listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited ('NSE') and on The BSE Limited (Earlier known as Bombay Stock Exchange Limited) ('BSE'). The Bank has received In-principle approval for listing of these Debentures from the said Stock Exchanges.

In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Bank will pay penal interest of at least 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.

XXIII. IF THE DEBENTURES ARE BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT/LETTER WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE AND RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES); THE SAME SHALL BE DISCLOSED IN THIS DISCLOSURE DOCUMENT:

NA

XXIV. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

(a) Name of the Bank declaring the Issuer as a wilful defaulter: NIL
(b) The year in which the Issuer is declared as a wilful defaulter: NIL
(c) Outstanding amount when the Issuer is declared as a wilful defaulter: NIL
(d) Name of the Issuer declared as a wilful defaulter: NIL
(e) Steps taken, if any, for the removal from the list of wilful defaulters:NIL
(f) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:NIL
(g) Any other disclosure as specified by SEBI:NIL

XXV. TERM SHEET

Issuer	**Axis Bank Limited ("Axis"/ the "Bank"/ the "Issuer")**
Issue Size	Base Issue of Rs 1,000 crore (One Thousand Crore) and Greenshoe option to retain oversubscription of Rs 2,000 crore (Two Thousand Crore) thereby aggregating Rs. 3,000 crore (Three Thousand Crore)
Option to retain oversubscription (Amount)	Rs. 2,000 crores (Two Thousand Crore)
Objects of the Issue	Enhancing long term resources for funding infrastructure and affordable housing
Details of the utilization of proceeds	Enhancing long term resources for funding infrastructure and affordable housing
Type of Instrument	Senior Unsecured Redeemable Non-Convertible Debenture (Series – 4)
Nature and status of Debentures	Unsecured and would rank pari-passu along with other uninsured, unsecured creditors
Seniority	Senior
Security Name	8.60% Axis Bank 2028
Issuance Mode	In demat mode only
Trading Mode	In demat mode only
Credit Rating	"AAA/Stable" by CRISIL and AAA by ICRA
Mode of Issue	Private Placement
Eligible Investor	Please refer clause "Application may be made by" in this document
Security	Unsecured
Face Value	Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture)
Redemption Premium/ Discount on issue	Nil
Issue Price	Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture)
Discount at which the security is issued and the effective yield as a result of such discount	N.A.
Redemption Amount	At par Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture)
Minimum Application and in multiples of Debentures thereafter	1 Debenture and in multiples of 1 Debenture thereafter
Tenor	10 Years from the Deemed Date of Allotment
Put Option	None
Put Option Price	Not applicable
Put Option Date	Not applicable
Put Notification Time	Not applicable
Call Option	None
Call Option Price	Not applicable
Call Option Date	Not applicable
Call Notification Time	Not applicable
Redemption/ Maturity	Bullet Redemption at par at the end of 10 years from the Date of Allotment.
Redemption Date	28th December 2028
Coupon Rate	8.60%
Coupon Payment Frequency	Annual
Coupon Payment Dates	Annually on each year till maturity of debentures
Coupon Type	Fixed
Step Up/ Step Down Coupon Rate	None
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	Not Applicable
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, an additional interest of 2% p.a. over the Coupon Rate will be payable by the Bank for the defaulting period
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis".
Interest on Application Money	Interest on application money will be same as the Coupon rate (subject to deduction of Tax at Source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modifications or re-enactment thereof) will be paid on application money to the applicants

	from the date of realisation but excluding the Date of Allotment.
Listing (including name of stock exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange of India Limited ("NSE") and BSE Limited (BSE). The Debentures shall be listed within 15 days of the Deemed Date of Allotment. In case the said NCDs are not listed within 15 days from the deemed date of allotment, the investors shall immediately dispose off these Debentures by way of sale to eligible third parties or Axis Bank Limited would immediately redeem / buyback the said NCDs from the investors.
Trustee	**SBICAP Trustee Company Ltd**
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of RTGS/NEFT or any other electronic mode or in absence of electronic mode then by cheque(s)/ Demand Drafts / redemption warrant(s).
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. In case an interest payment date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the next working day along with interest for the intervening period. In case the principal redemption date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the previous working day together with interest accrued till and including one day prior to the previous working date.
Record Date	The 'Record Date' for the Debentures shall be 15 calendar days prior to each interest payment and / or principal repayment date.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: 1. letter appointing Trustee to the Debenture Holders; 2. Debenture Trusteeship Agreement; 3. letter appointing Registrar; 4. rating agreement with CRISIL; 5. rating agreement with ICRA; 6. tripartite agreement between the Issuer; Registrar and NSDL for issue of NCD's in dematerialized form; 7. tripartite agreement between the Issuer, Registrar and CDSL for issue of NCD's in dematerialized form; 8. application made to BSE & NSE for seeking its in-principle approval for listing; 9. listing agreement with BSE & NSE; 10. Private placement offer letter; 11. Debenture Trust Deed
Conditions precedent to subscription of Debentures	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: 1. Rating letters from CRISIL/ICRA not being more than one month old from the issue opening date; 2. Letter from the Trustee conveying its consent to act as Trustee for the Bondholder(s); 3. Letter from BSE/NSE conveying its in-principle approval for listing of Bonds.
Conditions subsequent to subscription of Bonds	The Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document: 1. credit of demat account(s) of the allottee(s) by number of bonds allotted within 2 working days from the Deemed Date of Allotment; 2. making application to NSE/BSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 15 days from the Deemed Date of Allotment. 3. neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.

Events of Default	Default in payment of Interest on due date or default in redemption of Debenture on maturity date will constitute events of default in relation to this Debenture.
Provisions related to Cross Default Clause (if applicable)	NA
Role and Responsibilities of Trustee	The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the debenture trusteeship agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty. The Issuer shall, till the redemption of Debentures, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as statement of profit & loss, balance sheet and cash flow statement and auditor qualifications, if any, to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details so submitted with all "Qualified Institutional Buyers" (QIBs) and other existing Debenture Holder(s) within two working days of their specific request.
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the exclusive jurisdiction of the Court at Mumbai, Maharashtra.
Additional Covenant	The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment.
Applicable RBI Guidelines	The present issue of Debentures is being made in pursuance of circular no DBOD.BP.BC.No.25 / 08.12.014 / 2014-15 dated July 15, 2014 and circular no. DBR.BP.BC.No.50 / 08.12.014 / 2014-15 dated November 27, 2014 and DBR.BP.BC.No.98 / 08.12.014 / 2014-15 dated June 1, 2015 issued by the RBI on "Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing"
Issue Opening Date	26 December 2018
Issue Closing Date *	26 December 2018
Pay-in Dates *	28 December 2018
Deemed Date of Allotment	28 December 2018

* The Bank reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the Bank at its sole and absolute discretion. In the event of any change in the above issue programme, the Bank will intimate the investors about the revised issue programme.

I. THE ISSUER SHALL ENSURE THAT IT FILES THE FOLLOWING DISCLOSURES ALONG WITH THE LISTING APPLICATION TO THE STOCK EXCHANGES:

(a) Memorandum and Articles of the Issuer and necessary resolutions for allotment of the Debentures.
(b) Copies of audited annual reports of the last three financial years.
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements.
(d) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories.
(e) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the Stock Exchange(s), within 5 (five) working days of the execution of the same.
(f) Any other particulars or documents that the Stock Exchange may call for as it deems fit.
(g) An undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favour of the Trustee has been obtained.- NA

II. THE ISSUER SHALL SUBMIT THE FOLLOWING DISCLOSURES TO THE TRUSTEE IN ELECTRONIC FORM AT THE TIME OF ALLOTMENT OF THE DEBENTURES:

(a) Memorandum and Articles and necessary resolution(s) for the allotment of the Debentures.
(b) Copy of last three financial years' audited annual reports.
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements.
(d) Statement containing particulars of, dates of, and parties to all material contracts and agreements.
(e) Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications , if any.
(f) An undertaking to the effect that the Issuer would, till the redemption of the Debentures, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Debenture Holders within two working days of their specific request.

DISCLAIMER CLAUSE

This Disclosure Document is neither a prospectus nor a statement lieu of prospectus and does not constitute an offer to the public to subscribe for or otherwise acquire the Debenture issued by the Bank (Issuer). Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the Debentures relating to this Offer has been delivered for registration nor is such a document required to be registered under the applicable laws. This Disclosure Document is issued by the Bank and has been prepared by the Bank to provide general information on the Bank and does not purport to contain all the information a potential investor may require. This information relating to the Bank contained in the Disclosure Document is believed by the Bank to be accurate in all respects as of the date hereof.

DECLARATION

It is hereby declared that this Disclosure Document contains full disclosure in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.

The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact, which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statements made otherwise than in this Disclosure Document or in any other material issued by or at the instance of the Issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

For Axis Bank Limited

AXIS BANK LTD. CENTRAL OFFICE MUMBAI

SHASHIKANT RATHI
EXECUTIVE VICE PRESIDENT
(HEAD - TREASURY & MARKETS)

Place: Mumbai
Date: 26th December 2018

ANNEXURE I

Consent Letter of the Trustee

Corporate Office: Apeejay House, 6th Floor,
3 Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.
Tel : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com

SBICAP Trustee Company Ltd.

No.0249/2018-2019/CL - 2379
Date : 24th December, 2018.

Axis Bank Limited
Corporate Office, 8th Floor, Axis House,
C-2, Wadia International Centre,
P.B. marg, Worli, Mumbai- 400025

Attn : Mr. Kamlesh Patel - AVP

Dear Sir,

Appointment of SBICAP Trustee Company Limited as Debenture Trustee for issue of Unsecured redeemable NCDs of Rs. 1,000 crores with Green shoe option of Rs. 2000 crores.

This is with reference to the appointment of SBICAP Trustee Company Limited as Debenture Trustee.

In this connection, we hereby give our consent to act as Debenture Trustee for the above assistance on the following terms :

1) One Time Fees	Rs. 1,00,000/- plus applicable taxes (one time payment) to be paid immediately on acceptance of trusteeship assignment for the above referred issue.
2) Annual Service Charges	Rs.75,000/- p.a. Per Issue/Per Tranche plus applicable taxes payable annually in advance on 1st April each year from the date of allotment of Debentures. The trusteeship remuneration will be payable by you till the time repayment/redemption of entire Debentures and its satisfaction of charge thereof in full.
3) Trust Settlement Fee	Rs. 1,000/- only.
4) Out of Pocket Expenses	On actual basis.

All Expenses relating to legal and other expenses including enforcement of security will be charged separately.

Overdue payment of Annual Services Charges, if any, may carry an interest at 12% (twelve percent) per annum payable from the due date till the date of actual payment.
We request you to kindly contact following officials :
Ardhendu Mukhopadhyay contact no.022 - 43025502 Cell no.8879150002 and/or Deepak Dhondye contact no.022 - 43025514 Cell no.8879150014 for any assistance in future.

We keenly look forward for our association.

Note:- The correspondence address shall be considered for levying GST. If there is any change in correspondence address we request you to kindly intimate us.

Yours Faithfully,

Ardhendu Mukhopadhyay
Authorised Signatory

We accept the above terms
For________________

Authorised Signatory
(signature with stamp)

Registered Office: 202, Maker Tower E, Cuffe Parade, Mumbai 400 005.
Website : www.sbicaptrustee.com Corporate Identity Number : U65991MH2005PLC158386
A wholly owned Subsidiary of SBI Capital Markets Ltd.

ANNEXURE II

Credit Rating Letters

CRISIL Rating Letter

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

AXISBK/2018/BOND/213790
December 24, 2018

Mr. Shashikant Rathi
Head (Treasury & Markets)
Axis Bank Limited
Corporate Office, 8th Floor, Axis House,
Bombay Dyeing Mill Compound
P. B. Marg, Worli
Mumbai – 400 025
Ph : 022- 2425 5805

Dear Mr. Rathi,

Re: CRISIL Rating on the Rs. 3000 crore Infrastructure bonds/Debenture issue of Axis Bank Limited

We refer to your request for a rating for the captioned Debt Programme.

CRISIL has, after due consideration, assigned its "**CRISIL AAA/Stable**" (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rama Patel

Rama Patel
Director - CRISIL Ratings

Nivedita Shibu
Associate Director- CRISIL Ratings

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076 Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800
www.crisil.com

Details of the Rs.3000 crore Infrastructure bonds/Debenture issue of Axis Bank Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2018-19/MUM/1460
December 24, 2018

Mr. Shashikant Rathi
EVP & head – Treasury & Markets
Axis Bank Limited
8th Floor, Axis House,
Bombay Dyeing Mills Compound,
P.B. Marg,
Worli,
Mumbai-400 025

Dear Sir,

Re: ICRA Credit Rating for the Rs. 3,000 crore Infrastructure bonds/Debenture Programme of Axis Bank Limited

Please refer to your Rating Agreement dated December 21, 2018 for carrying out the rating of the aforesaid Debt Programme of your company. The Rating Committee of ICRA, after due consideration, has assigned a "**[ICRA]AAA**" (pronounced as ICRA triple A) to the captioned programme. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The Outlook on the rating is **Stable.**

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AAA (stable)**. We would request if you can sign the acknowledgement and send it to us latest by **December 28, 2018** as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on '**Monitoring and Review of Ratings by Credit Rating Agencies(CRAs)**' issued by the Securities and Exchange Board of India. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.
As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification. We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

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