



ONE AXIS.  
MANY POSSIBILITIES.



 **AXIS BANK**

ANNUAL REPORT 2018-19

# MANY POSSIBILITIES DRIVE OUR MOMENTUM

Our possibilities are deeply interwoven and energised by India's rapidly developing economy. As one of the country's first new-generation private sector banks, Axis Bank has always strived to play a pivotal role in the economy and society. We look towards the future with optimism and a deep sense of responsibility towards nation-building. A fast-paced economy like our country needs a robust financial ecosystem to flourish; and the banking sector has always been at the vanguard in supporting the country's growth aspirations. We have expanded our reach across the country and have emerged as a reliable banker for the global citizen.



## Performance in FY 2018-19

Total assets

₹800,997 crores

↑ 15.86% growth (y-o-y)

Total income

₹68,116 crores

↑ 20.03% growth (y-o-y)

Gross NPA

5.26%

(Previous Year: 6.77%)

Cost: Asset ratio

2.13%

(Previous Year: 2.17%)

Total deposits

₹548,471 crores

↑ 20.91% growth (y-o-y)

Net interest income

₹21,708 crores

↑ 16.60% growth (y-o-y)

Net NPA

2.06%

(Previous Year: 3.40%)

NIM

3.43%

(Previous Year: 3.44%)

Total advances

₹494,798 crores

↑ 12.54% growth (y-o-y)

Net profit

₹4,677 crores

Provision coverage ratio

77%

(Previous Year: 65%)

Capital adequacy ratio

15.84%

(Previous Year: 16.57%)





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One Axis. Many Possibilities.

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[www.axisbank.com](http://www.axisbank.com)

## Introduction

# ONE AXIS CONNECTING A BILLION INDIANS

One Axis is a collective spirit that has enabled us to build an institution of excellence, delivering a wide spectrum of financial solutions to all sections of society. One Axis takes us farther.

Even more than seven decades after India's independence, the reach of reliable, fast, secured banking and other financial services remains a long-cherished aspiration for millions of people. Ever since our journey began, we have enabled businesses and individuals to make tangible progress and kept the communities we serve at the forefront of all that we do.

Our possibilities are the real priorities of India such as a strong digital economy and an inclusive society. Our efforts in facilitating the creation of crucial core infrastructure, scaling up financial inclusion and the adoption and diffusion of digital products and services, have been and continue to support India's holistic wellbeing.

We have built an impressive franchise over the years. More than banking, Axis Securities, Axis Finance, Axis Trustee, Axis Mutual Fund and Axis Capital are partnering the progress of millions of people across the country. Axis Bank Foundation aims to create a lasting difference in people's lives and works on four broad initiatives centred around watershed management and agricultural productivity, livestock enhancement, vocational training and livelihood support for the differently abled.



Welcome to our axis of possibilities that connects and enriches a billion lives.

**₹8,040 crores**

Total advances of Axis Finance Limited

**19%**

Growth in average assets under management of Axis Asset Management Company in 2018-19

**2.10 million**

Client base of Axis Securities which ranked among top three brokers in India

**No.1**

Equity Capital Markets (ECM) banker - Axis Capital

**40%**

Market share of Invoicemart, which continues to be India's leading TReDS platform

**72 million**

Users registered with FreeCharge

**₹1,855,099 crores**

Assets under custody of Axis Trustee Services as on 31 March, 2019

**29**

NGOs have been onboarded under Axis Bank Foundation



**40 lakhs+**

Senior citizens catered to with banking services

**447,182**

Households/trainees impacted as part of our Mission 2 Million (M2M) programme

**2.51 crores+**

Customers and growing

**7.71 lakhs+**

Defence personnel accounts

Our World

# AXIS BANK AT A GLANCE

As the third largest private sector bank in one of the world's fastest-growing economies, Axis Bank offers a wide spectrum of financial solutions to a diverse range of customer segments spanning retail, small and medium enterprises, government and corporate businesses.

For over 25 years, we have met expectations of our citizens across different generations and socio-economic landscape, addressed the needs of those residing in urban and semi-urban localities and those in rural settings, from the salaried class to the self-employed.

We were among the early movers in embracing digital technologies and worked towards delivering a superlative experience to our customers. Our strong presence across diverse digital channels has enabled us to offer a wide variety of financial products and services to customers across the social spectrum, ranging

from those at the bottom of the pyramid to the largest multinational corporations. The digital space also involves citizen-centric solutions to various government entities, digital collection and payment solutions to the PSUs, government departments and other autonomous bodies.

Parallel to our digital expansion, our corporate and retail banking continues to grow globally, enabling people to achieve their aspirations. Our strategies focus on normalising credit risk, delivering profitable growth, enhancing capabilities and investing in the future which touches and benefits all our stakeholders.



## Vision of the Bank

To be the preferred financial solutions provider excelling in customer delivery through insight, empowered employees and smart use of technology.

**25**

Years of legacy

**4,050+**

Branches and counting

**16,700+**

ATMs and cash deposit/  
withdrawal machines

**5 lakhs+**

POS machines

**78**

SME centres

**5.96 million**

Credit cards issued

**24.51 million**

Debit cards issued

**₹800,997 crores**

Balance sheet size

**₹199,881 crores**

Market capitalisation

Standalone figures as on/for the year ended 31 March, 2019

Axis Group

## ONE AXIS

Our subsidiaries share our Group's corporate credo of working towards the financial and holistic wellbeing of all our stakeholders and facilitating the progress of the nation.





**Axis Finance Ltd.****19.24%**

Return of equity

- A non-banking finance company regulated by RBI, Axis Finance Ltd. offers loans against securities, real estate funding, structured funding and IPO funding among others
- Enjoys the highest credit rating: AAA from CRISIL and A1+ from India Ratings
- Profitability matrix has grown significantly while maintaining healthy capital ratios

**Axis Capital Ltd.****13**

Deals in IPO, QIP, Rights OFS &amp; IPP during 2018-19

- Provides services related to investment banking, equity capital markets, institutional stock broking, mergers and acquisitions advisory
- Axis Capital Ltd. has won the 'Best Investment Bank' in India for the 4<sup>th</sup> year in a row

**A.Treds Ltd.****183,088**

Invoices discounted till date

- Engaged in the business of operating institutional mechanism to facilitate financing of trade receivables of micro, small and medium enterprises through multiple financiers

**Axis Asset Management Company Ltd.****84,544 crores**

Average Asset Under Management (AUM)

- Axis Asset Management Company Ltd. undertakes the activities of managing the mutual fund business and portfolio management business
- Added 1.2 million investors in last one year, taking the overall investor folios to 3.9 million
- Average AUM has grown at 43% CAGR in last 5 years, highest in the industry

**Axis Trustee Services Ltd.****40%**

y-o-y growth In Assets under custody

- Axis Trustee Services Ltd. is a registered debenture trustee as per SEBI (Debenture Trustee) Regulation, 1993 and is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitisation trusts
- Assets under custody stood at ₹1,855,099 crores as on 31 March, 2019

**Axis Securities Ltd.****3<sup>rd</sup>**

Rank in total customer base

- Axis Securities Ltd. is primarily in the business of marketing of credit cards and retail asset products; and also provides retail broking services
- Has one of the highest mobile adoption industry rates with over 64% volumes emanating from mobile
- Sourced retail assets of ₹34,430 crores and 15.50 lakhs credit cards for Axis Bank during 2018-19

**Freecharge Payment Technologies Private Ltd. and Accelyst Solutions Private Ltd.****9 million**

Monthly active users

- Provides digital payments and digital financial service platform, which helps Bank acquire young, digital native customers, through co-created financial service offerings
- FreeCharge continues to act as an engine that attracts digitally native customers and creates a significant cross-sell base for the Bank
- 15 million new users registered since acquisition by Axis Bank

**Axis Bank Foundation****1 million+**

Lives impacted

- Established to strengthen our community development objectives
- Responsive to the requirements of marginalised communities with a strong focus on strengthening the role of women in the rural economy
- Many of the Foundation's programmes are closely aligned with various rural development initiatives

Journey So Far

## MILESTONES OVER THE YEARS

We've dedicated ourselves to help our customers meet their financial priorities with one-stop quality insights, solutions and expert advice.

**1993**

Incorporated as UTI Bank

**1994**

Launched first branch in Ahmedabad, inaugurated by Dr. Manmohan Singh, Union Finance Minister

**1998**

Public issue was oversubscribed by 1.2 times with over 1 lakhs retail investors

**1999**

Launched our website [www.utibank.com](http://www.utibank.com)

**2000**

Appointed Dr. P. J. Nayak as Chairman and MD who took over from Mr. Supriya Gupta

**2004**

Offered customers access to 7,000 ATMs across India, the largest to be offered by any Indian bank, through bilateral agreements and multilateral consortiums for shared ATMs

**2003**

Crossed the one-million mark in debit card issuance

**2002**

Opened 100<sup>th</sup> branch at Tuticorin, Tamil Nadu

**2005**

UTI Bank enlisted on the London Stock Exchange, raised USD 239.30 million through Global Depository Receipts (GDRs)

**2006**

UTI Bank Foundation is set up as a separate charitable trust to drive the Bank's Corporate Social Responsibility (CSR) initiatives

**2007**

UTI Bank changes its name to Axis Bank, launches its new logo and a national ad campaign



## 2019

Amitabh Chaudhry takes over as MD & CEO from 1 Jan, 2019

## 2018

Opened IFSC Banking Unit (IBU) at GIFT City Multi-Services SEZ in Gandhinagar, Gujarat

## 2017

Celebrated achievements of Axis Bank Foundation to meet its target of creating 1 million livelihoods in India, well in advance of its planned date

## 2016

Concluded the issue of USD 500 million, Asia's first certified Green Bond by a bank

## 2015

Introduced Burgundy, Wealth Management Services

## 2009

Appointed Ms. Shikha Sharma as MD and CEO of Axis Bank, taking over from Dr. P. J. Nayak

## 2010

Acquired the investment banking and equity capital market business of Enam Securities

## 2011

Launched retail broking business and online trading platform, Axis Direct

## 2014

Opened the first 'all-women branch' in Patna

## 2013

Launched overseas subsidiary, Axis Bank UK Limited, to commence banking operations in the United Kingdom

## 2012

Opened 10,000<sup>th</sup> ATM, retaining leadership position in ATM deployment among India's private sector banks

# Core Philosophy

## VALUES DRIVE US

At Axis Bank, we are first and foremost, in the business of garnering trust, and in this business, integrity and ethics are the core of everything that we do.

We believe that the only way organisations can emerge stronger in a dynamic environment is by staying firm and true to their core values. Our core values of Customer Centricity, Ethics, Transparency, Teamwork and Ownership drive us every day to deliver on our 'One Axis' strategy.



Ethics



Customer-centricity

## OUR CORE VALUES

Our people are the custodians of our core values and help shape an inspiring performance culture by putting the right systems and interventions in place. With meritocracy, fairness, and ethics constituting the cornerstones of our organisational ethos, we strive to ensure that the 61,000+ members of the Axis team have enough opportunities to achieve their potential in their careers. We greatly value diversity, and have made conscious efforts to ensure that our workforce is diverse and inclusive.



Teamwork



Ownership



Transparency



Message From the MD & CEO

## TOUCHING AND TRANSFORMING LIVES



We have embarked and made rapid progress on the 'One Axis' ideology which focuses on projecting the Bank's various businesses and subsidiaries together as 'One' that can offer a comprehensive suite of products, services and solutions to the customer.

Dear Shareholders,

As we complete our 25<sup>th</sup> year of operations, I feel honoured and proud to lead the Bank – a neighbourhood bank striving to serve a billion lives everyday in a meaningful and humane manner. Trust and customer centricity have always been the hallmark of the Bank's association with its customers.

The Bank has over these years stood by customers as a reliable friend in need – by not only being approachable and available at all times, but also helping them to meet their needs and life aspirations. I would like to thank all my predecessors over the years – Ms. Shikha Sharma, Dr. P. J. Nayak and Mr. Supriya Gupta, for their vision and contribution towards building this great institution.

It is the same feeling of warmth and friendliness that is reflected in the Bank's culture; and was one of the first things that struck me when I joined the Bank six months ago. I believe that our culture is one of the biggest unsung strengths of Axis Bank. This has been one of the key driving forces for us to build a great institution and ensure that we survive tough times.

Over the last decade, the Bank has gone from strength to strength, and in addition built a lot of hidden gems among its businesses. Let me spell out some of them. The Bank has an extremely Strong Current Account and savings account (CASA) deposits franchise and has grown its loan book over five times in the last ten years to ₹494,798 crores. Amongst the private sector banks, we currently have the third largest branch network and the highest number of ATM machines in the country. In the credit cards business, where we were not present some ten years back, we are now a strong number four player and have been growing at a much faster pace than the industry leaders in the last five years. We have the country's third largest merchant acquiring business. In mobile banking, we feature amongst the top players in terms of innovation. We are the largest issuer of foreign exchange cards in the country and are a number three player on the UPI side of the business.

On the Wholesale Banking side, we have built deep relationships across the spectrum with corporates, Small and Medium Enterprises (SMEs) and government clients. Our SME business has been built into an enviable franchise with extremely healthy metrics. We have one of the largest

franchises amongst the private banks in dealing with the government and its various arms. The Bank continues to remain at the top of the leader board in the Debt Capital Market segment for the last thirteen years.

Similar achievements can also be witnessed for the Bank's subsidiaries, even though we started our innings later than many of our peers. As a group, we are engaged in businesses that are contiguous to banking, such as non-banking finance, retail broking, asset management, and institutional equities and investment banking. Axis Asset Management Company set up in 2009 is now among the top ten mutual fund houses in India. Our broking business, Axis Direct, established in 2011, currently ranks amongst the top three players in terms of active client base. Axis Capital continues to remain one of the best equity capital market franchises in the country. Axis Finance is one of the fastest growing Non-Banking Financial Companies (NBFCs) with some of the best returns in the industry. Axis is the only Bank with two Fintech companies as subsidiaries, one in the payments space and the other in the digital invoice discounting space. All these businesses complement the parent Bank's strategy and allow us to offer our customers a comprehensive offering under the umbrella of 'One Axis'.

However, I must also acknowledge that in the recent years, the Bank has faced some headwinds, especially on the asset quality front due to corporate slippages. The Bank's strategic bet on project lending to infrastructure sectors like steel and power in the 2010-12 period turned out to be its Achilles' heel. There was also an increase in operational risks in recent years. Though we have done exceedingly well in some segments, we have not executed well on all fronts consistently. We are not yet out of the woods, but we are cautiously optimistic about the future. We need to learn from the mistakes of the past and ensure that they are never repeated again. We realise changing ourselves will be arduous and

time consuming but we also strongly believe we are ready for the battle ahead and have the team in place to overcome any odds.

Over the last six months, I have spent time extensively with the various business units across the Bank. I have also met many of our large corporate customers. Based on these interactions, I do believe there is lot of potential for us to grow and be among the top few players in each of our business segments and aspire for larger market share.

I am pleased to state that we have taken some strong and positive strides towards defining our priorities, the goals that we want to accomplish and how we will get there. We intend to get our winning mind-set back, re-claim our growth momentum and get our fair share of business from our customers. We also want to strengthen our core technology platform and improve our execution. To achieve these, we came out with an Execution Strategy 2022 for the Bank earlier this calendar year. The strategy pivots around delivery of three important vectors – Growth, Profitability and Sustainability.

At the same time, we have embarked and made rapid progress on the 'One Axis' ideology for the Bank and its subsidiaries which, focusses on projecting the Bank's various businesses and subsidiaries together as 'One' that can offer a comprehensive suite of products, services and solutions to the customer. The focus



**We intend to get our winning mind-set back, re-claim our growth momentum and get our fair share of business from our customers.**

for our subsidiaries would be to attain size and scale, for which we would continue to invest in them over the next few years.

As we embark on achieving the goals set in our 2022 vision, the strategic direction of 'One Axis' will serve as a bedrock to drive brand synergies across the Bank and all its subsidiaries. We will start by delivering a consistent brand identity across our branches, subsidiaries and all our digital touchpoints. Over the next few months, the messaging across our products and our verticals will also align with the above strategic direction so that we create a force multiplier effect for the brand. More importantly, we are an industry built on the foundation of trust and one of the best ways to improve trust is to come across as consistent and unified in our language and approach to our customers.

We now have the entire senior management team in place to execute the strategy and convert our aspirations into reality over the next three years. We have reoriented the organisational structure that would enable us to streamline and simplify our functioning and bring in greater

accountability, productivity and efficiencies. We have also made considerable progress in building cost consciousness across the Bank, and expect to improve our cost efficiency over the next few years.

We have incorporated the learnings from the last credit cycle to improve our policies and processes. We have raised the bar further for the credit filters applicable to new credit proposals and strengthened our early warning systems. As a Bank, we are looking to move towards a more conservative view on provisioning, compliance and risk. In retail, our provisioning norms are more conservative than the RBI prescribed norms. On the wholesale side, we are increasing the level of provisions we hold against some weak, yet standard stressed assets.

Moving on to financial performance, the profitability and the asset quality metrics for the Bank in fiscal year 2019 improved materially after having witnessed two consecutive challenging years. The Axis franchise delivered healthy operating performance with core operating revenue growth of 21% and moderation in

operating expenses growth. The Bank continues to have a strong balance sheet with one of the best provision coverage and capital adequacy ratios of 77% and 15.84%, respectively. Our subsidiaries had another good year as they continued to gain scale and market share in their respective segments.

On the wholesale side of our business, we have been focussing on portfolio diversification, reduction in concentration to select sectors and project loans and have further increased our focus on transaction banking and working capital business. The performance of the corporate segment in fiscal 2019 improved as compared to the past few years with steady decline in the low rated 'BB & below' outstanding pool, significant decline in corporate slippages and stabilisation of corporate credit linked fees.

We have reoriented the wholesale segment. The credit underwriting function has been taken out from the businesses and has been made an independent function. Product specialists and business relationship responsibilities have also

## Execution Strategy 2022

### Growth

The first deliverable we put out has been to improve our deposit growth materially to fund our strong loan growth aspirations. We want to step up growth in the Wholesale Bank, sustain the momentum in the Retail Bank and want to scale up our subsidiaries materially. We also want to attain a leadership position on the payments side of the business.

### Profitability

We intend to make significant portfolio mix choices based on an assessment of Risk Adjusted Return on Capital, or RAROC. We will relentlessly focus on cost rationalisation and reduce the Bank's credit costs sustainably below its long-term averages.

### Sustainability

We would focus on disciplined execution, and aim to build a sustainable and credible business model. We intend to invest in strengthening our core around technology, processes, operations, digital and analytics. An important element in building a sustainable franchise is to embed conservatism in our internal policies and practices.



been segregated to ensure sharper focus on client coverage and product groups. We follow a risk adjusted return philosophy in the wholesale bank and would focus on growing our mid-corporate and commercial banking book. In the commercial banking segment, we are focussing on building a relationship based model with SME and current account business customers to drive growth across both assets and liabilities.

The Bank's retail franchise continues to remain robust with a healthy growth in loans, fees and retail deposits. Axis continues to remain a strong customer centric bank and has shifted its deposit strategy to focus on getting higher CASA plus retail term deposits from earlier focus on CASA. During the year, we added 347 branches to take our domestic branch distribution network to 4,050 branches. For us, branch banking continues to be an integral part of our growth strategy. The role of branches in deposit mobilisation from new customers drives the Bank's acquisition strategy across products and provides customer service and builds trust. However, the branch formats continue to get smaller with enhanced productivity led by automation and digitisation of service operations.

Our wealth management business, Burgundy with assets under management of over ₹132,702 crores, has done exceedingly well over the last few years and now features amongst the top wealth management businesses in the country. We intend to expand the franchise and build a leadership position in the space.

The Bank's ability to innovate and offer right product proposition to its customers has helped the retail loan book to grow over five times in the last ten years to reach ₹245,812 crores, with a 50% share in total advances. We have achieved significant diversification within our retail portfolio mix with a strong risk management architecture that has ensured that our asset quality in retail has been much better than peer average. The Bank

has always been ahead of the curve in terms of building its digital capabilities and has made significant investments in technology and digital analytics to underwrite, manage risk outcomes and optimise costs. During the year, the Bank increasingly started offering pre-approved loans and stepped up the pace of digital lending. The contribution of digital lending in personal loans increased to 43% from 22% in the last one year.



## While delivery of growth and profitability is important, sustainability forms the foundation of the Bank's strategy

Axis Bank continues to remain committed towards promoting a less-cash, digital economy and enjoys strong market position across most digital payments spaces in India. The Bank continues to engage in partnership driven innovations to provide its customers with a differentiated payments experience and drive the Digital India mission. During the year, the Bank's Kochi1 Card became the country's first inter-modal transit card while the Raipur Smart Card project was also initiated to offer digital payment solutions to the citizens of Raipur. The Bank also launched 'Axis Tap & Pay', a mobile application for making contactless payment at merchant terminals, as well as India's first of its kind in-home 'Smart bill pay' initiative that allows users to pay their utility bills by scanning a QR code.

The Bank has traditionally used Savings Accounts as a product to start its relationship with customers and then build on it by cross-selling other products and services. Though that has not changed

substantially over the last ten years, we are increasingly looking beyond deposit base for customers. We are now looking to leverage other platform businesses of the Group for cross-sell opportunities.

We plan to invest significantly in setting up a Digital Bank. Our idea here is to have a full team with all the requisite banking as well as digital expertise and skill sets required to rethink traditional banking processes. It will start afresh, end-to-end customer journeys, which will be completely digital. This will, however, take time to fructify and we will share our progress over the coming years.

The Bank continues to invest in enhancing employee capabilities and provides career development opportunities to its employees. We have made sure that the communication on GPS strategy and vision of creating 'One Axis' is consistent within the internal organisation as well, and that everybody in the Bank knows what they have to do. The organisation structure and the KPIs have been re-aligned to ensure direct accountability, greater differentiation and focus on developing relationship-based long-term business model instead of focussing on shorter term targets.

During the year, the Bank revamped its internal job posting process to allow internal talent to take on leadership positions based on their merit irrespective of age and tenure. The Bank also launched an internal portal to allow employees to seek careers across departments and subsidiaries within the Axis Group.

Axis Bank has always believed that its long-term success depends on the progress of communities and the people we serve. The Bank continues to play an active part in extending credit to the economically active but under-banked rural population, particularly women, through its retail microfinance initiative 'Axis Sahyog'. Axis Bank Foundation, in its 13<sup>th</sup> year of operations, continues to work towards providing sustainable



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**In recent years, driven in part by some unexpected negative surprises at the Bank, we have dented the trust of investors. We need to win it back.**

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livelihoods and creating value for the target communities through its various integrated rural skill development and educational programmes.

During the year, 'Axis Dil Se' – the Bank's CSR initiative in partnership with 17000 ft Foundation, 108 schools in Leh and Kargil districts of Ladakh were adopted by 20 senior Axis Bank leaders for a period of three years – completed its second phase. Under this initiative, the Bank installed 'Digi Labs' in schools, which enabled access to the digitised curriculum both for the students and the teachers. Also during the year, the Bank played an active role in providing disaster relief to over 400 flood affected families in four regions in Kerala.

The Bank won the 'Excellence' certificate in Corporate Social Responsibility category at the prestigious CII ITC Sustainability Awards 2018 and was included in the prestigious FTSE4Good Emerging Index for the second consecutive year in 2018 in recognition of its Environmental, Social and Governance (ESG) practices.

In recent years, driven in part by some unexpected negative surprises at the Bank, we have dented the trust of investors. We need to win it back. The only way to win

it back is to have a business model, which sustains and generates credible financial outcomes quarter after quarter over a long period of time. Our aspiration is to deliver around 18% Return On Equity (ROE) on a sustainable basis. The reduction in credit cost to below our long-term averages, portfolio choices driven by a risk-adjusted returns framework and improvement in operational efficiency would be the key drivers for RoE improvement over the next three years. Though it seems a tall order, the Bank has delivered ROEs in excess of 18% few years back and hence we aspire to do it again - on a sustainable and consistent basis.

India continues to be a fast-growing economy with significant opportunities and possibilities. From the perspective of the financial industry as a whole, the liquidity issues faced by some of the non-banking financial companies and housing finance companies over the last year can create some friction going ahead, but it presents opportunities for banks. The banking industry has seen return of credit growth and pricing power on account of shift in credit demand from NBFCs and bond markets back to banks. Banks with a healthy capital position, NBFCs with a robust parentage and financial intermediaries with significant market share are well placed to grow profitably, at a faster pace than their peers in their respective industries. In this context, 'One Axis' franchise with its presence across business segments is uniquely positioned to leverage this opportunity and grow at a faster pace. Great product mix, vast physical footprint, cutting-edge digital capabilities, robust corporate governance practices and one of the most valuable brands in India - all these combined open many possibilities for the Axis franchise in the near future.

I believe that Axis Bank is a great franchise with great culture and great set of people. If we execute well, we have the potential to improve our market share rankings

without sacrificing anything whatsoever on our credit and risk management practices. While delivery of growth and profitability is important, sustainability forms the foundation of the Bank's strategy. We want to build sustainability in our business performance and operations with disciplined execution and conservatism at the core. However, one thing that still concerns me is the level of control and confidence we have on operational risk parameters. Any large bank will have a vast number of systems and processes and to reach the level of efficiency, control and monitoring that we have in mind will take time, but we are at it relentlessly everyday, improving bit by bit. We also need to ensure that the quality of our wholesale book improves materially over the next few years. We cannot afford to repeat what we went through in the last few years. That would also require a change in how we think about risk and how we proactively manage it. Another area of work would be the tone from top on compliance. We cannot compromise on doing things right and doing them right all the time, even at the cost of losing business. We need to do a better job of saying no to businesses and deals.

I would like to take this opportunity to thank my colleagues for believing in Axis and the vision of the Bank. I am also deeply grateful to all the customers and shareholders for standing by us and showing their faith in us all these years.

Warm Regards,

**Amitabh Chaudhry**  
MD & CEO

# CORE MANAGEMENT TEAM

As on 25 April, 2019

## Jairam Sridharan

Group Executive and Chief Financial Officer

## Ganesh Sankaran

Group Executive - Wholesale Banking Coverage Group

## Pralay Mondal

Group Executive - Retail Banking

## Deepak Maheshwari

Group Executive & Chief Credit Officer

## Ravi Narayanan

President - Branch Banking

## Sanjay Silas

President - International Banking

## Rajendra Adsul

President - International Banking  
(Retiring on 30 June, 2019)

## Akshaya Kumar Panda

President - Large Corporate Coverage

## Prashant Joshi

President - Large Corporate Credit

## Himadri Chatterjee

President - Retail & Wholesale Banking Operations

## J P Singh

President - Commercial Banking Group

## Rudrapriyo Ray

President & Chief Compliance Officer

## Cyril Anand

President & Chief Risk Officer

## Girish V. Koliyote

Company Secretary

## Statutory Auditors

M/s Haribhakti & Co. LLP  
Chartered Accountants

## Secretarial Auditors

M/s BNP & Associates  
Company Secretaries

## Registrar and Share Transfer Agent

M/s Karvy Fintech Private Limited Unit: Axis Bank Ltd.  
Karvy Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032  
Tel. No: 040-67162222  
Fax No: 040-23001153

## Registered Office

'Trishul', 3<sup>rd</sup> Floor,  
Opp. Samartheshwar Temple,  
Law Garden, Ellisbridge,  
Ahmedabad – 380 006  
Tel. No.: 079-66306161  
Fax No.:079-26409321

## Corporate Office

'Axis House', C-2,  
Wadia International Centre,  
Pandurang Budhkar Marg,  
Worli, Mumbai – 400 025  
Tel. No.: 022-24252525/43252525  
Fax No.:022-24251800

## Email

shareholders@axisbank.com

## Website

www.axisbank.com

# BOARD OF DIRECTORS



**Dr. Sanjiv Misra**  
*Chairman*

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**Prof. Samir Barua**  
*Independent Director*

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**Rohit Bhagat**  
*Independent Director*

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**Usha Sangwan**  
*Nominee Director*

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**Amitabh Chaudhry**  
*Managing Director & CEO*

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**Som Mittal**  
*Independent Director*

---



**S. Vishvanathan**  
*Independent Director*

---



**Rakesh Makhija**  
*Independent Director*

---



**Ketaki Bhagwati**  
*Independent Director*

---



**B. Babu Rao**  
*Nominee Director*

---



**Stephen Pagliuca**  
*Nominee Director*

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**Girish Paranjpe**  
*Independent Director*

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**Rajiv Anand**  
*Executive Director (Wholesale Banking)*

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**Rajesh Dahiya**  
*Executive Director (Corporate Centre)*

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# Highlights of 2018-19

## GROWING WITH CONFIDENCE



### Retail Banking

- Partnered with SignCatch to launch the first-of-its-kind 'Smart Bill Pay' initiative for New Delhi Municipal Corporation (NDMC)
- Launched Saksham (a pioneering initiative) providing a 360-degree view of customer details, aiming at 'service-to-sales' initiative with pre-approved offerings
- Increased market share for credit cards by 5x and remained the fourth largest credit card issuer in the country
- UPI transactions have evinced strong growth with almost touching 635 million transactions
- Savings bank deposits increased by 4% with 26 million Saving Account customers, while retail term deposits grew by 44% during the year
- Experience Axis campaign helped build affinity and curiosity in consumers' minds to know more about Axis products
- Introduced new RemitMoney website for inward remittance for NRI customers with an interactive interface and enhanced features by listening to customers and building what they wanted
- Improved Axis Mobile's global ranking from 32 to 14



### Technology and Digital Banking

- Partnered with Government to implement 'SMART City', facilitating digital transactions by citizens and delivering on the digital-first vision
- Leveraged artificial intelligence to simplify transaction narrations in digital channels to enrich customer experience
- Incorporated Artificial Intelligence (AI) and Machine Learning (ML) to reduce manual intervention and improved employee productivity and processing time
- Enhanced mobile application with the introduction of 'Axis AHA!', an artificial intelligence & machine learning, powered by conversational banking assistant
- Introduced 'Blaze' first analytical cloud application for decision-making, to go live soon after getting requisite information security approvals
- Launched One Raipur common payment system, which culminated in a significant rise in digital transactions



### Corporate Banking

- Domestic corporate loan growth remains strong reporting a 17% year-on-year growth and share of domestic loans in total corporate loans continues to increase
- Continued corporate lending with emphasis on doing business with higher rated corporates and 95% of new sanctions in the corporate book were to companies rated 'A-' and above
- 82% of outstanding standard corporate book is to companies rated 'A' or above
- Organised 'Evolve', a signature initiative for building SME capacity, coordinated the programme in 31 cities across India, where 3,200+ SMEs participated



### Corporate Social Responsibility

- Axis Bank Foundation helped create one million livelihoods in Phase I, now intends to support two million households by 2025
- 'Axis Sahaayata' initiative was launched by Axis Sahyog during Kerala floods to provide disaster relief to the impacted population; the project provided direct relief to 425 flood-affected families in four regions
- Axis Bank was part of the esteemed FTSE4Good Emerging Index for the second consecutive year in 2018
- As on 31 March 2019, the Bank has installed 7.05 MW solar power capacity spanning 248 locations, helping avoid carbon emission
- Axis Bank launched 'Access', a programme under which it hired over 35 differently abled candidates in 2018-19, and aims to hire 100+ candidates over the next year



### Human Resource

- The Axis Bank Young Bankers and Axis Sales Academy programmes ensure that it has a cost-efficient and sustainable pool of trained resources
- Onboarded candidates from diverse backgrounds through We Lead – the women in leadership programme and Access
- Axis Champions Awards, the Bank's annual recognition event, was held to recognise people who demonstrated customer excellence, leadership, citizenship, guardianship and innovation
- Over 24,600 employees underwent a two-day behavioural training programme, customised to their grades and role challenges



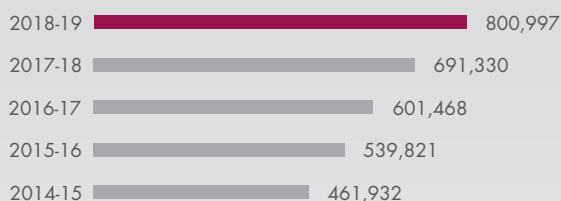
### One Axis

- Offered online trading services to customers in collaboration with Axis Securities, under the name of Axis Direct (crossed 2 million total customers in 2018-19)
- Emerged as one of the leading distributors of mutual fund scheme servicing customers through its diversified branch network and digital channels
- Set up A.TReDs Limited to facilitate electronic platform for facilitating cash flows for MSMEs named as TReDS
- Popularised FreeCharge, which acted as an engine to attract digitally native customers

# Key Performance Indicators

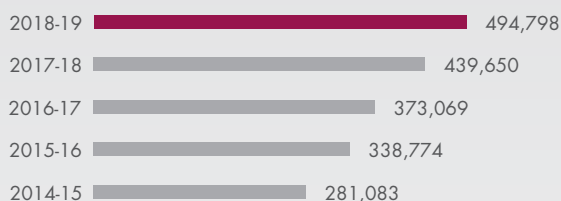
## FOUNDATION FOR FUTURE GROWTH

### Total Assets/Liabilities ₹ in crores



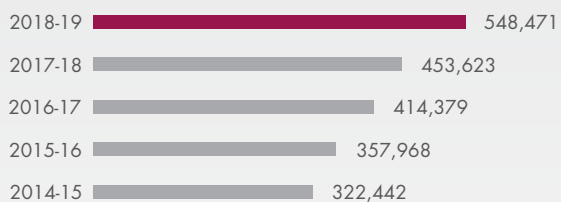
▲ **16%** y-o-y      **16%** 5 - year CAGR

### Total Advances ₹ in crores



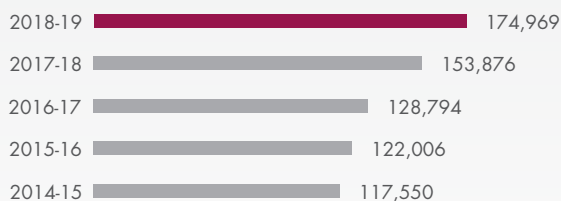
▲ **13%** y-o-y      **17%** 5 - year CAGR

### Total Deposits ₹ in crores



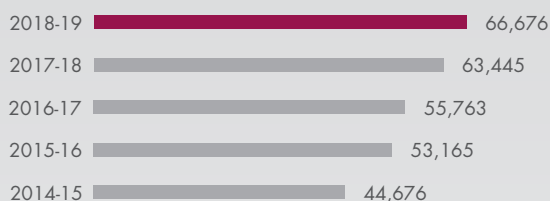
▲ **21%** y-o-y      **14%** 5 - year CAGR

### Total Investment ₹ in crores



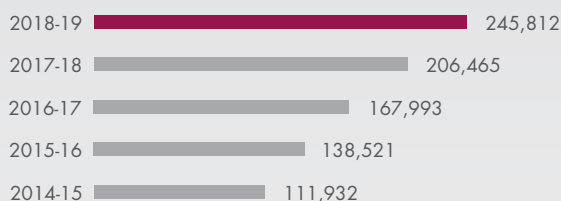
▲ **14%** y-o-y      **11%** 5 - year CAGR

### Shareholder's Fund ₹ in crores



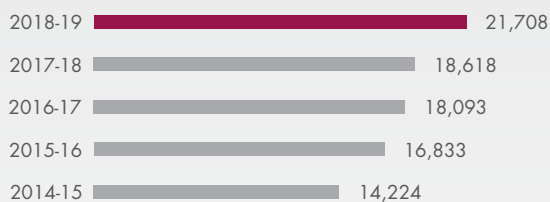
▲ **5%** y-o-y      **12%** 5 - year CAGR

### Retail Advances ₹ in crores



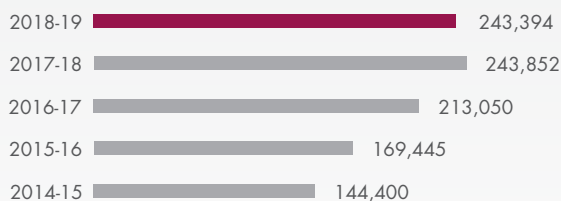
▲ **19%** y-o-y      **23%** 5 - year CAGR

### Net Interest Income (NII) ₹ in crores



▲ **17%** y-o-y      **13%** 5 - year CAGR

### CASA ₹ in crores

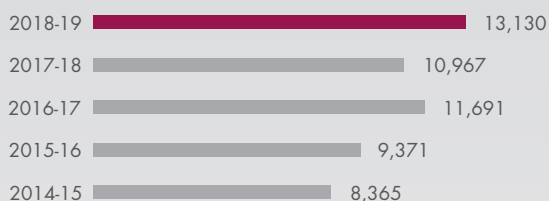


▼ **-0.19%** y-o-y      **14%** 5 - year CAGR



### Other Income

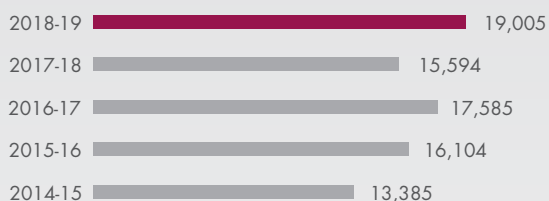
₹ in crores



▲ **20%** y-o-y      **12%** 5 - year CAGR

### Operating Profit

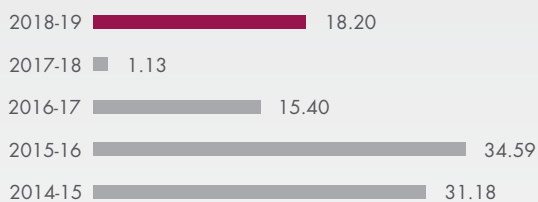
₹ in crores



▲ **22%** y-o-y      **11%** 5 - year CAGR

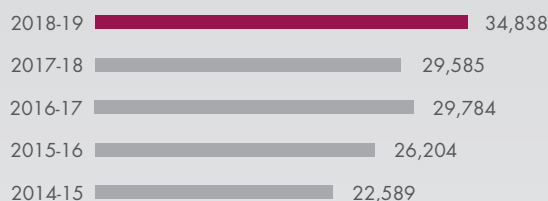
### Earnings Per Share (Basic)\*

₹



### Operating Revenue

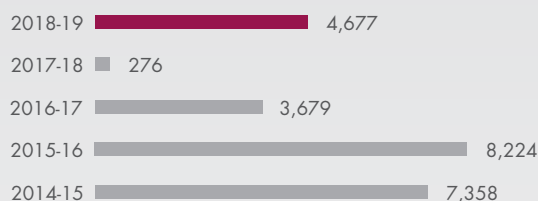
₹ in crores



▲ **18%** y-o-y      **12%** 5 - year CAGR

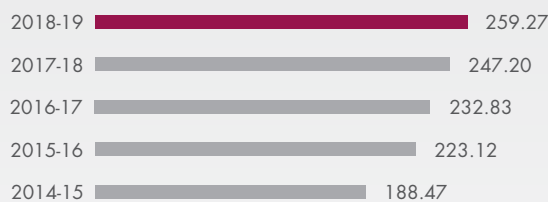
### Net Profit

₹ in crores



### Book Value Per Share\*

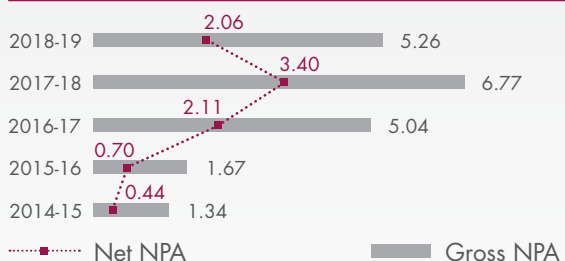
₹



▲ **5%** y-o-y      **10%** 5 - year CAGR

### Gross NPA/Net NPA\*

%



### Financial Ratios

%

	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	18.57	17.49	7.22	0.53	8.09
Return on Assets	1.83	1.72	0.65	0.04	0.63
Capital Adequacy Ratio	15.09	15.29	14.95	16.57	15.84
Tier - I Capital Adequacy Ratio	12.07	12.51	11.87	13.04	12.54

\*2015-16 figures have been adjusted to reflect the effect of sub-division of one equity share of the Bank having nominal value of ₹10 each into 5 equity shares of nominal value ₹2 each.

Previous year figures have been re-grouped wherever necessary. All above figures are standalone.

# ONE AXIS

MANY POSSIBILITIES



CONSOLIDATING  
RETAIL AND  
CORPORATE  
FRANCHISE

STRENGTHENING  
URBAN PRESENCE  
AND RURAL REACH

SCALING BRANCH  
OPERATIONS AND  
DIGITAL OUTREACH

Powered by our expertise, we are delivering on the strength of our customer-centricity, physical and digital outreach, innovative solutions and commitment to support entrepreneurship and community uplift. We are facilitating the axis of possibilities for an enterprising India through five focus areas.

IMPACTING  
COMMUNITY AND  
BUSINESS

BALANCING RISKS  
AND REWARDS

# CONSOLIDATING RETAIL AND CORPORATE FRANCHISE

## Retail Banking



The Retail Banking segment continues to be a key driver of our overall growth strategy. It encompasses a wide array of products and services across deposits, loans, investments and payment solutions that are delivered through physical channels to our customers.

Axis ASAP ensures that an account is opened in minutes. Not just that, one gets a virtual debit card too for online shopping.

Now customers having pre-approved credit card offers don't need to wait for their physical cards to arrive to start

their online spends. With the virtual card feature, card details are generated as soon as customers submit the final request for pre-approved offer. The card details can be used for all types of online spends.

We launched the debit card EMI programme to 4.6 million customers eligible up to 1 lakhs with key partners (Flipkart, Amazon and Apple, among others). We launched the EMI-on-PoS for Axis Bank credit cardholders for 1,500+ merchants, capturing 800+ pin codes and 3 million credit card base.

**₹155,421** crores

Domestic Corporate Loans as on 31 March, 2019

**82%**

Of corporate exposure\* is rated 'A' or above

\*Only includes standard exposure



We believe India's retail and corporate banking must be powered by design thinking, which is a solutions-based approach. The journey begins with connecting with customers, understanding their financial requirements and delivering on those aspirations with diligence.



## 1,015,863

Accounts opened through Axis ASAP platform in 2018-19

## ₹198,914 crores

Retail Term Deposits as on 31 March, 2019

## Corporate Banking



We are exploring possibilities to strengthen relationship with existing customers across various business verticals by offering more products in tune with their changing requirements.

Some such initiatives are:

- Providing innovative services to small and medium enterprises
- Offering quality lending opportunities to existing current accounts
- Digital on-boarding and activations of Current Account relationships
- CMS solutions to existing Current Account customers
- Current Account for existing merchant Acquiring customers

Our Corporate Internet Banking (CIB) platform was launched to provide a consolidated access to customers across multiple channels. The major focus has been to migrate existing users from different channels on the new Corporate Internet Banking and ensure the stability for seamless customer experience.

TF Connect and Online Inward Remittance (OIRM) platforms have been launched to manage customers' trade and forex transactions online. The platforms act as a one-stop solution for handling pending inward remittances and enabling customers to initiate and authenticate trade finance transactions in a paperless environment.

# STRENGTHENING URBAN PRESENCE AND RURAL REACH

## Urban Presence



We are providing various innovative banking services to citizens of smart cities through mobile applications, web portals, prepaid cards, electronic data capture terminals and mobile handheld devices. We are also providing hassle-free omni-channel banking experience through our digital payment gateways, mobile banking, debit card and credit card.

We cover all citizen-centric services for Raipur Smart City through a mobile application. Our 'One Raipur Payment System' encompasses the collection of all government taxes and transport fares. We are popularising the 'One

Raipur Card' through collaboration with different retailers. We are providing essential citizen services with respect to collection and payment through online modes.

Our FASTag service, electronic toll collection platform has grown at a fast pace and looks set for an exponential growth, following the Government's initiative to register all vehicles on Electronic Toll Collection (ETC).

We have also joined hands with many urban local bodies in the country to provide collection and payment services through online mode.

**665**

Number of rural branches

**1,260**

Number of semi - urban branches



Banking and financial services are expanding in scale and scope across India. In step with the winds of change, we are refreshing and realigning our strategies to reach out to more urban and rural customers. We are ushering in exceptional innovation to wow our customers in cities.



# 1,185

Number of metro branches

# 930

Number of urban branches

## Rural Reach



We are involved in managing multiple schemes of Government of India and various state governments through account management and Public Financial Management System (PFMS) across states, districts, blocks and gram panchayats.

The schemes that we undertake comprise Sarva Shiksha Abhiyaan, Mid-Day Meal, Rashtriya Madhyamik Shiksha Abhiyan, Atal Mission for Rejuvenation of Urban Transformation, National Food Security Mission, Pradhan Mantri Awaas Yojna and Rashtriya Krishi Vikas Yojna, among others. We are building on our capabilities and providing last-mile banking services to large swathes of rural India.

We introduced Iris Authentication for Aadhaar-based transactions through micro ATMs. Launched as a pilot project across eight branches, the system will be available across the country in a phased manner. This facility will be useful for customers in semi-urban areas, particularly for senior citizens.

Our focus is on digitising farmer payment transactions in the dairy sector, ensuring timely and accurate payment to farmers, financial inclusion services and small ticket lending, among others. We are providing online digital and auctioning platforms to agricultural Mandi transactions, enabling better crop price discovery.

# SCALING BRANCH OPERATIONS AND DIGITAL OUTREACH

## Branch Operations



Our branches continue to be the Bank's face for millions of retail customers, with close to 4,000 domestic branches (including extension counters) spanning 26 states and six union territories in India. Our branches mobilise deposits from new-to-bank customers and drive the customer engagement strategy across products and services.

Our well-distributed branch network comprises the following: 23% in north, 19% in east, 19% in west, 25% in south and 14% in central. We have 29% branches in metros and 23% in urban and 48% in semi-urban and rural regions as on 31 March, 2019. We continue to focus on enhancing our

presence in urban and rural India and increasing our physical presence in both banked and unbanked rural regions. Additionally, our 11,801 ATMs and 4,917 cash deposit machines facilitate banking for millions of citizens.

Our dedicated SME centres span key industrial regions and offer best-in-class lending and other banking services to our SME customers.

Over 700 branches have dedicated relationship managers to handle complex requirements of customers. We have a dedicated team (900+ people) at 402 B-category branches for servicing trade, forex and CMS clients.

### 66%

Of our active customers are digitally active

### 2,154,344

Savings Account sourced through Tab banking in 2018-19





We believe a happy harmony of physical and digital outreach can make banking more personalised, secured, inclusive, and intuitive for an ambitious and dynamic India. We are elevating our capabilities to serve millions of customers through innovative solutions across the social spectrum.



## 347

Branches and extension counters opened during 2018-19

## 16,718

ATMs and cash deposit/withdrawal machines

## Digital Outreach



We are leveraging the digital ecosystem as a strong lever to enhance service standards and productivity; and the use of advanced analytics and predictive technology is helping us achieve new benchmarks of personalisation. Over 74% of financial and non-financial transactions undertaken by retail customers in fiscal 2019 were digitally enabled and 66% of our Bank's active customers are digitally active.

On Axis mobile customers can get a simplified narration for their transaction done through the Axis Mobile app. This is a useful and practical innovation where the complexity of sifting through multiple narrations is done real-time at the back end so that our customers get a simplified and less stressful view.

Our mobile application has been further enhanced with the introduction of 'Axis AHA!', an artificial intelligence and machine learning powered conversational banking assistant on Axis Mobile (and website) allowing users to perform various financial and non-financial transactions.

We introduced 'Axis Tap & Pay' mobile application, which allows customers to pay by just tapping EFC-enabled Android on contactless point-of-sale (PoS). We have been able to maximise on this aspect introducing TAB account opening for individual/sole proprietorship business accounts. This is an online and an interactive platform that resolves documentary gaps through validations and upfront feedback on product delivery, thus improving turnaround time.

# IMPACTING COMMUNITY AND BUSINESS

## Community



Our contribution to society goes far beyond providing trustworthy, reliable and excellent banking services. Axis Bank Foundation (ABF) creates opportunities for 'Sustainable Livelihoods'. The priority is to lend a helping hand to small, marginal farmers and the landless to enhance their incomes. ABF supports rural livelihoods, drives watershed management and agricultural productivity, livestock enhancement, vocational training and livelihood support for the differently abled.

Building on the experience and learning from phase I of the project that helped create one million livelihoods, ABF now intends to support two million households by 2025.

We support microenterprise development at the household level by addressing critical gaps.

We help upskill young people, including those with special needs, across peri-urban and rural areas through vocational training. With a 60% placement rate, the skilling process has resulted in opening avenues of steady income from secure jobs in inclusive working environments for youth with varied formal education levels.

Axis Dil Se is enabling educational development in some of India's remotest, most challenging terrains – Leh, Ladakh and Kargil regions in Jammu & Kashmir.

**85%**

SMEs exposure rated SME 3 and above

**13%**

Share of SME advances to total advances



We have a responsibility to help address the economic and social challenges that India faces. For over two decades, we are focussing on supporting communities and small businesses across the country; and our success is deeply interwoven with the success of all our stakeholders.



**2 million**

Livelihoods to be impacted by 2025

**210,050**

New households/trainees under livelihood initiatives onboarded in 2018-19

## Business



In retail banking, to cater a larger segment of India's population, we have developed a wide network of fully interconnected retail branches, extension counters, ATMs, asset sales centres, internet banking channels, call centres and mobile banking. We are focussed on providing each customer with their choice of channel for transactions and products to meet their financial needs and quality service.

In wholesale banking, we are creating an integrated franchise by re-organising its existing coverage groups. Broadly these would be under four verticals – large corporates, mid-corporates, focussed segmental coverage and commercial

banking focussing on higher rated lending book, increasing the share of working capital loans and reducing the concentration risk.

In SME, as a mark of our commitment to support SME segment, we have been organising capability development roadshows (Evolve) across various cities for the last few years. Evolve is a platform for SMEs to learn and interact with leaders who have driven the wheels of innovation in their companies across multiple industries. We also felicitate successful SMEs through India SME 100 Awards. This is our way to encourage innovation and sustainable growth in the segment.

# BALANCING RISKS AND REWARDS

## Risks



We have strengthened the risk framework basis our learnings and experience over the years by focussing on:

- **Choice of business:** Originated retail loans from existing deposit customers.
- **Core lines of defence:** In credit models, we used proprietary risk models. Credit policy focussed on low Loan to Value (LTV) and steady Fixed Obligation to Income Ratio (FOIR) norms. In monitoring, we automated early warning systems and behaviour scorecards.
- **Final line of defence:** Strengthened collections through analytically optimised queuing strategy and channel selection.

On the wholesale side of our business, we have been focusing on portfolio diversification, reduction in concentration to select sectors and project loans and have further increased our focus on transaction banking and working capital business.

We have put in place a Risk Appetite Statement, which covers financial (solvency, liquidity, earnings stability, concentration), as well as non-financial (operations, technology, compliance, reputation) aspects of risk.

This statement is set at the Bank level by the Risk Management Committee of the Board and is cascaded to the operational units and incorporated in the decision-making with limits and policies.

**₹199,881 crores**

Market capitalisation as on 31 March, 2019

**12.54%**

Tier I capital



Risk mapping and pre-emptive action is core to our corporate strategy and remains integral to our overarching approach to sustainability and value creation for the long term.



**112%**

Exposure to Top 20 single borrowers as % of Tier I capital

**123%**

Liquidity coverage ratio

Rewards



Axis Bank has built a robust banking franchise over the years. We have achieved consistent growth and with a five-year CAGR (2013-14 to 2018-19) of 16% in total assets, 14% in total deposits, 17% in total advances. Our balance sheet size has grown to ₹800,997 crores as on 31 March, 2019.

During 2018-19, we reported strong deposit growth every quarter and bulk of our deposits continue to come from granular, retail sources. Our loans portfolio is also seeing steady growth every quarter driven by retail segment. Retail loans form the largest part of the Bank's loan book and are well diversified. Our identified

'new engines of growth' (personal loan, education loan and small business banking) continue to grow strongly. We continue to increase our branch network, with improving productivity per branch.

During 2018-19, Gross and Net, Non-Performing Assets (NPA) ratios continued to moderate and restructured assets are now negligible as a proportion of the loan book. Our provision coverage ratio on NPAs stood at 77% as on 31 March, 2019.

We remain a leading player (4<sup>th</sup> largest) in Wealth Management. We have a strong market position across most digital payment products.

# Awards and Recognitions

## EXCELLENCE STANDS OUT



**'Best Digital Bank'**  
at the Financial Express India's Best Banks Awards



**'Best Debt Arranger on Electronic Bidding Platform'**  
at the NSE Market Achievers Awards



**'Best Contactless Payments Project'**  
and **'Best Prepaid card of the Year'**  
at the Payments & Cards Awards



**'Winner in BFSI category for Cross Border Remittance'**  
at The Economic Times BFSI Innovations Tribe Awards & Summit



**'Best Use of Data Analytics for Business Outcome'**  
at the IBA Banking Technology Awards



**'Best Media Innovation-Sponsorship'**  
for Axis Bank-Kaun Banega Crorepati (KBC) integration at Emvies Awards



**'Best Performing Bank'**  
at the CNBC UTI Financial Advisor Awards



**'Excellence in Corporate Social Responsibility' for the second time'**  
at the CIHTC -Sustainability Awards



**'Best Mobile App' for One Raipur**  
at the BW Businessworld 6<sup>th</sup> Smart Cities Conclave & Mega Awards

# Directors' Report

The Board of Directors have the pleasure of presenting the 25<sup>th</sup> Annual Report of the Bank together with the Audited Statement of Accounts, Auditors' Report and the Report on the business and operations of the Bank, for the financial year ended 31<sup>st</sup> March 2019.

## Financial Performance

The financial highlights for the year under review, are presented below:

(₹ in crore)			
Particulars	2018-19	2017-18	Growth
<b>Deposits</b>	<b>548,471</b>	<b>453,623</b>	<b>21%</b>
• Savings Bank Deposits	154,129	148,202	4%
• Current Account Deposits	89,265	95,650	(7%)
<b>Advances</b>	<b>494,798</b>	<b>439,650</b>	<b>13%</b>
• Retail Advances	245,812	206,464	19%
• Non-retail Advances	248,986	233,186	7%
<b>Total Assets/Liabilities</b>	<b>800,997</b>	<b>691,330</b>	<b>16%</b>
<b>Net Interest Income</b>	<b>21,708</b>	<b>18,618</b>	<b>17%</b>
<b>Other Income</b>	<b>13,130</b>	<b>10,967</b>	<b>20%</b>
• Fee Income	10,127	8,867	14%
• Trading Profit <sup>(1)</sup>	971	1,617	(40%)
• Misc. Income	2,032	483	320%
<b>Operating Expenses</b>	<b>15,833</b>	<b>13,990</b>	<b>13%</b>
<b>Operating Profit</b>	<b>19,005</b>	<b>15,595</b>	<b>22%</b>
Provision for Tax	2,297	(154)	-
Other Provisions and Write offs	12,031	15,473	(22%)
<b>Net Profit</b>	<b>4,677</b>	<b>276</b>	<b>-</b>
Balance in Profit and Loss account brought forward from previous year	23,043	24,448	(6%)
<b>Amount Available For Appropriation</b>	<b>27,720</b>	<b>24,724</b>	<b>12%</b>
<b>Appropriations</b>			
Transfer to Statutory Reserve	1,169	69	-
Transfer (from)/to Investment Reserve	(103)	103	-
Transfer to Capital Reserve	125	102	22%
Transfer to Reserve Fund	1	2	(50%)
Dividend paid (includes tax on dividend)	-	1,405	
Transfer to Investment Fluctuation reserve	600	-	
<b>Surplus carried over to Balance Sheet</b>	<b>25,928</b>	<b>23,043</b>	<b>12%</b>

<sup>(1)</sup> Excluding Merchant Exchange Profit

## Key Performance Indicators

Key Performance Indicators	2018-19	2017-18
Interest Income as a percentage of working funds*	7.38%	7.15%
Non-interest Income as a percentage of working funds*	1.76%	1.71%
Net Interest Margin	3.43%	3.44%
Return on Average Net Worth	8.09%	0.53%
Operating Profit as a percentage of working funds*	2.55%	2.43%
Return on Average Assets	0.63%	0.04%
Profit per Employee**	₹7.61 lakhs	₹0.47 lakhs
Business (Deposits less inter-bank deposits + Advances) per employee**	₹16.53 crore	₹14.84 crore
Net non-performing assets as a percentage of net customer assets***	2.06%	3.40%

\* Working funds represent average total assets

\*\* Productivity ratios are based on average number of employees for the year

\*\*\* Customer assets include advances and credit substitutes

Previous year figures have been re-grouped wherever necessary

## Capital & Reserves

During the year, the Bank allotted 51,05,935 equity shares of ₹2/- each of the Bank, pursuant to exercise of stock options by some of the Whole Time Directors/Employees of the Bank and that of its subsidiary companies, under the various Employee Stock Option Scheme(s).

Pursuant to the said allotments, the total issued and paid-up equity share capital of the Bank, as on 31<sup>st</sup> March 2019 increased by ₹1.02 crore to ₹514.33 crore, as compared to ₹513.31 crore, as on 31<sup>st</sup> March 2018.

The category wise Shareholding Pattern of the Bank, as on 31<sup>st</sup> March 2019, was as under:

Sr. No.	Category / Shareholder	No. of Shares held	% of paid-up Capital
<b>PROMOTERS</b>			
1	Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	13,68,87,639	5.32
2	Life Insurance Corporation of India (LIC)	27,05,83,548	10.52
3	General Insurance Corporation of India	3,40,62,729	1.32
4	The New India Assurance Company Limited	2,05,91,585	0.80
5	National Insurance Company Limited	5,49,681	0.02
6	The Oriental Insurance Company Limited	49,97,520	0.19
7	United India Insurance Company Limited	3,24,076	0.01
<b>FOREIGN INVESTORS</b>			
8	Overseas Investors (including FIIs/OCBs/NRIs)	1,33,62,98,583	51.95
9	Foreign Direct Investment (GDR)	6,83,38,285	2.66
<b>DOMESTIC FINANCIAL INSTITUTIONS</b>			
10	Financial Institutions / Mutual Funds / Banks / NBFC / AIF	44,42,47,174	17.27
11	Others	25,47,64,051	9.94
<b>Total</b>		<b>2,57,16,44,871</b>	<b>100.00</b>

The said equity shares of the Bank are listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). The Unsecured, Redeemable, Non-Convertible, Subordinated, Perpetual Debentures issued by the Bank, on a private placement basis are listed on NSE and BSE. The Bonds issued by the Bank under the MTN programme on a private placement basis are listed on Singapore Stock Exchange and the Green Bonds issued by the Bank are listed on London Stock Exchange. The Global Depository Receipts (GDR) issued by the Bank are listed on London Stock Exchange.

The Bank has paid the listing fees to the said Stock Exchanges, for the financial year 2018-19.



## Dividend

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Bank has formulated and adopted a Dividend Distribution Policy with the objective of providing clarity to its stakeholders on the profit distribution strategies of the Bank. During the year, the said Policy has been reviewed by the Board of Directors of the Bank and hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>.

The Diluted Earnings Per Share (EPS) of the Bank for the financial year 2018-19 stood at ₹18.09 per equity share of ₹2/- each as compared to ₹1.12 per equity share of ₹2/- each in the previous financial year. In view of the overall performance of the Bank and with the objective of rewarding the Shareholders of the Bank with cash dividends, while retaining capital to maintain a healthy capital adequacy ratio to support future growth, the Board of Directors of the Bank at its meeting held on 25<sup>th</sup> April 2019, recommended a dividend of ₹1/- per equity share of ₹2/- each for the financial year 2018-19, as compared to Nil Dividend for the financial year 2017-18, in terms of the Dividend Distribution Policy of the Bank. The said increase in EPS reflects the Bank's confidence in its ability to consistently grow earnings over time.

## Closure of Share Transfer Books And Record Date For Dividend

The Register of Members and the Share Transfer Books of the Bank will remain closed from Saturday, 6<sup>th</sup> July 2019 to Saturday, 20<sup>th</sup> July 2019 (both days inclusive) for the purpose of the 25<sup>th</sup> Annual General Meeting of the Shareholders of the Bank to be held on Saturday, 20<sup>th</sup> July 2019 and to determine the names of the Members who would be entitled to dividend, if any, declared by the Bank, for the financial year ended 31<sup>st</sup> March 2019.

The Record Date for payment of the said dividend, if approved by the Members at the 25<sup>th</sup> Annual General Meeting, has been fixed on Friday, 5<sup>th</sup> July 2019. The said dividend shall be paid to those Members whose name appears on the Register of Members of the Bank/ the Statements of Beneficial Ownership as received from the Depositories, as at the close of business hours on Friday, 5<sup>th</sup> July 2019.

## Ratings of various Debt Instruments

The Senior Unsecured Redeemable Non-Convertible Debentures (Series 4) issued by the Bank, on a private placement basis, during the financial year 2018-19, were rated "CRISIL AAA" by CRISIL Ltd. and "ICRA AAA" by ICRA Ltd.

The Bonds issued by the Bank under the MTN programme, on a private placement basis, during the financial year 2018-19, were rated "BBB" by Fitch Ratings, "BBB" by Standard & Poor's, "Baa3" by Moody's.

The details of all credit ratings obtained by the Bank along with any revisions thereto, during the financial year 2018-19, for all the debt instruments outstanding as on 31<sup>st</sup> March 2019, is disclosed in the Corporate Governance Report, forming part of this report.

## Board of Directors

During the year, the following changes took place in the composition of the Board of Directors ("the Board") of the Bank:

- Shri Prasad Menon ceased to be an Independent Director of the Bank, with effect from the close of business hours on 8<sup>th</sup> October 2018, upon completion of the maximum permissible tenure of 8 (eight) continuous years, under Section 10A (2A) of the Banking Regulation Act, 1949. The Board acknowledges the invaluable contributions rendered by Shri Prasad Menon during his tenure as an Independent Director of the Bank and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/Committees of the Bank.
- Pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board at its meeting held on 2<sup>nd</sup> November 2018, approved the appointment of Shri Girish Paranjpe as an Independent Director of the Bank, for a period of 4 (four) consecutive years, with effect from 2<sup>nd</sup> November 2018 upto 1<sup>st</sup> November 2022 (both days inclusive), subject to the approval of the Shareholders of the Bank. The said appointment was approved by the Shareholders of the Bank through Postal Ballot on 17<sup>th</sup> January 2019. During the said period, Shri Girish Paranjpe shall not be liable to retire by rotation, in terms of the provisions of Section 149(13) of the Companies Act, 2013.
- Shri V. Srinivasan, Deputy Managing Director of the Bank retired from the services of the Bank and accordingly ceased to be the Whole Time Director (designated as the Deputy Managing Director) of the Bank, with effect from the close of business hours on 20<sup>th</sup> December 2018.

During his tenure as the Deputy Managing Director of the Bank, Shri V. Srinivasan facilitated the growth of the corporate lending and treasury businesses of the Bank. The Board acknowledges the invaluable contributions rendered by Shri V. Srinivasan during his tenure as the Deputy Managing Director of the Bank and places on record its deep appreciation for the insightful perspectives and suggestions provided by him during the deliberations at the meetings of the Board/Committees of the Bank.

- Smt. Shikha Sharma, Managing Director & CEO of the Bank retired from the services of the Bank and accordingly ceased to be the Managing Director & CEO of the Bank, with effect from the close of business hours on 31<sup>st</sup> December 2018.

During her tenure as the Managing Director & CEO, the Bank turned into a full-fledged financial institution by offering services to both corporate and retail consumers. The seamless retailisation of the Bank, achieved under her tenure, was remarkable and has led to a significant diversification of the Bank's balance sheet. The Board acknowledges the leadership and the invaluable contributions rendered by Smt. Shikha Sharma during her tenure as the Managing Director & CEO of the Bank and places on record its deep appreciation for the insightful perspectives and suggestions provided by her at the meetings of the Board/Committees of the Bank.

- Pursuant to the recommendation of the NRC, the Board at its meeting held on 9<sup>th</sup> July 2018, shortlisted the candidature of Shri Amitabh Chaudhry for the post of the Managing Director & CEO of the Bank, with effect from 1<sup>st</sup> January 2019 and recommended the same for the approval of the Reserve Bank of India (RBI).

The RBI granted its approval to the appointment of Shri Amitabh Chaudhry as the Managing Director & CEO, of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> January 2019 upto 31<sup>st</sup> December 2021 (both days inclusive) and to the terms and conditions relating to the said appointment, including remuneration.

In order to facilitate smooth transition and help Shri Amitabh Chaudhry familiarize with the business and operations of the Bank, the Board at its meeting held on 2<sup>nd</sup> November 2018, approved the appointment of Shri Amitabh Chaudhry, as the Managing Director (Designate), in executive position of the Bank, with effect from 19<sup>th</sup> November 2018 upto 31<sup>st</sup> December 2018 (both days inclusive).

Thereafter, pursuant to the approval of the RBI and on the recommendation of the NRC, the Board at its meeting held on 8<sup>th</sup> December 2018, approved the appointment of Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> January 2019 up to 31<sup>st</sup> December 2021 (both days inclusive) and the terms and conditions relating to the said appointment, including remuneration. The said appointment of Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank and the terms and conditions in respect thereof, including remuneration, was approved by the Shareholders of the Bank, through Postal Ballot on 17<sup>th</sup> January 2019.

- Pursuant to the outcome of the performance evaluation and the recommendation of the NRC, the Board at its meeting held on 8<sup>th</sup> December 2018, had approved the re-appointment of the following Independent Directors of the Bank, for their second term, subject to approval of the Shareholders of the Bank:
  - a) Prof. Samir K. Barua as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019 upto 21<sup>st</sup> July 2019 (both days inclusive);
  - b) Shri Som Mittal as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019 upto 21<sup>st</sup> October 2019 (both days inclusive); and
  - c) Shri Rohit Bhagat as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019 upto 15<sup>th</sup> January 2021 (both days inclusive).

The said re-appointment of Prof. Samir K. Barua, Shri Som Mittal and Shri Rohit Bhagat were approved by the Shareholders of the Bank, through Postal Ballot on 17<sup>th</sup> January 2019. During the said period, Prof. Samir K. Barua, Shri Som Mittal and Shri Rohit Bhagat shall not be liable to retire by rotation, in terms of the provisions of Section 149(13) of the Companies Act, 2013.

- As part of the succession planning process of the Bank and pursuant to the recommendation of the NRC, the Board at its meeting held on 8<sup>th</sup> December 2018, approved the re-designation of Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank, with effect from 21<sup>st</sup> December 2018 upto 3<sup>rd</sup> August 2019 (both days inclusive) i.e. for the remainder of his existing term as the Executive Director of the Bank.
- In view of the vacancy that would be caused by the expiry of tenure of Dr. Sanjiv Misra, the Non- Executive (Part-Time) Chairman of the Bank, w.e.f. the close of business hours on 17<sup>th</sup> July 2019, as part of the succession planning process of the Bank and pursuant to the recommendation of the NRC, the Board at its meeting held on 12<sup>th</sup> March 2019 approved the appointment of Shri Rakesh Makhija as the Non- Executive (Part-Time) Chairman of the Bank, for a period of 3 (three) years, with effect from 18<sup>th</sup> July 2019 upto 17<sup>th</sup> July 2022 (both days inclusive), subject to approval of the RBI and the Shareholders of the Bank.
- In terms of Section 152 of the Companies Act, 2013, Smt. Usha Sangwan is liable to retire by rotation at the ensuing AGM and being eligible has offered herself for re-appointment.
- Pursuant to the recommendation of the NRC, the Board at its meeting held on 22<sup>nd</sup> May 2019, approved the re-appointment of Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank, for a further period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 upto 3<sup>rd</sup> August 2022 (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. During the said period, Shri Rajiv Anand, shall be liable to retire by rotation.
- Pursuant to the recommendation of the NRC, the Board at its meeting held on 22<sup>nd</sup> May 2019, approved the re-appointment of Shri Rajesh Dahiya as the Executive Director (Corporate Centre) of the Bank, for a further period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 upto 3<sup>rd</sup> August 2022 (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. During the said period, Shri Rajesh Dahiya shall be liable to retire by rotation.
- Pursuant to the recommendation of the NRC, the Board at its meeting held on 22<sup>nd</sup> May 2019, approved the appointment of Shri Pralay Mondal, Group Executive (Retail Banking) as a Director of the Bank and as the Whole Time Director designated as "Executive Director (Retail Banking)" of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> August 2019 upto 31<sup>st</sup> July 2022 (both days inclusive) and the terms and conditions relating to the said appointment, including remuneration, subject to the approval of the RBI and the Shareholders of the Bank. During the said period, Shri Pralay Mondal shall be liable to retire by rotation.

During the year, no other changes took place in the composition of the Board of Directors of the Bank. The composition of the Board of Directors of the Bank is in compliance with the applicable norms.

The ordinary resolutions in respect of the appointment / re-appointment of the Directors, as aforesaid, have been included in the Notice convening the 25<sup>th</sup> Annual General Meeting of the Bank, to be held on Saturday, 20<sup>th</sup> July 2019. The brief profile and details of the remuneration last drawn by the said Directors, have been annexed to the said Notice.

### **Selection and Appointment of Directors & Other Key Officials**

The selection and appointment of Directors and other Key officials of the Bank is done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Banking Regulation Act, 1949, the Guidelines issued by the RBI and the relevant provisions of the Listing Regulations relating to Corporate Governance (as amended), from time to time.

The Bank has formulated and adopted a Succession Planning Policy (the Policy), for appointment of its Directors and other Key Officials. The objectives of the Policy is to assess, identify and nominate suitable candidates to fill vacancies that may arise for positions of Directors and other Key Officials of the Bank, to plan for succession of the said roles and any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles, incumbent or named successors, significant changes in role accountabilities, substantive changes in the business parameters and changes to the role holder or successor's aspiration.

The Policy also seeks to identify the competency requirements for the said positions, identify potential candidates and develop required competencies through planned training, development and learning initiatives and to ensure systematic and long-term

development of personnel for taking higher roles and responsibilities at the senior management levels at the Bank or that of its subsidiary companies, which may arise due to impending move or retirement or resignation or sudden exit or for any reason whatsoever, of the role, incumbent or named successors.

The Bank adheres to the process and methodology prescribed by the RBI in respect of the 'Fit & Proper' criteria as applicable to Private Sector Banks, signing of deed of covenants which binds the Directors to discharge their responsibilities to the best of their abilities, individually and collectively in order to be eligible to be appointed/re-appointed as a Director of the Bank. The prescribed declarations given by the Directors other than that of the Members of the NRC are placed before the NRC and the declarations given by the Members of the NRC are placed before the Board, for its review and noting. The said declarations are obtained from all the Directors on an annual basis and also at the time of their appointment / re-appointment, in compliance with the said laws. An assessment on whether the Directors fulfil the said criteria is also carried out by the NRC and the Board on an annual basis and before considering their candidature for re-appointment.

The NRC also reviews the structure, size, composition of the Board, the regional and industry experience, track record, expertise and other relevant information and documents of the Directors before making appropriate recommendations to the Board with regard to their appointment / re-appointment, terms and conditions relating to the such appointment/re-appointment, including remuneration, designed to enhance the Board's effectiveness.

The NRC identifies potential candidates from diverse backgrounds including but not limited to accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small-scale industry, information technology, core industries, infrastructure sector, payment and settlement systems, human resource, risk management and business management, thus providing the Board with Members who have special knowledge or practical experience and requisite set of skills, to serve the diverse business interests of the Bank.

### **Declaration of Independence**

All the Independent Directors of the Bank have given their respective declarations stating that they meet the criteria prescribed for independence under the applicable laws and the Board has confirmed its veracity and taken the same on record.

### **Key Managerial Personnel**

At the meeting of the Board held on 8<sup>th</sup> December 2018, Shri Amitabh Chaudhry, the Managing Director & CEO of the Bank, was appointed as the Key Managerial Personnel of the Bank, with effect from 1<sup>st</sup> January 2019, under Section 203(1) of the Companies Act, 2013.

In terms of Section 203(1) of the Companies Act, 2013, Shri Amitabh Chaudhry, Managing Director & CEO, Shri Jairam Sridharan, Group Executive & Chief Financial Officer and Shri Girish V. Koliyote, Company Secretary are the Key Managerial Personnel of the Bank.

### **Board Performance Evaluation**

The Companies Act, 2013 and the Listing Regulations relating to Corporate Governance contains provisions on evaluation of the performance of the Board, its Committees, its individual Directors and its Chairperson.

The NRC is the nodal agency for conduct of said performance evaluation. The NRC has reviewed and approved the manner for effective evaluation of the performance of the Board, its Committees, its individual Directors and its Chairperson and the criteria for the said performance evaluation. The manner in which the said performance evaluation has been conducted is explained in the Report on Corporate Governance, which forms part of this report.

### **Meetings**

The schedule in respect of the meetings of the Board / Committees thereof to be held during the next financial year and for the ensuing Annual General Meeting is circulated in advance to the Members of the Board. During the year, 12 meetings of the Board were held and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations relating to Corporate Governance.

### Audit Committee

The composition, role and functions of the Audit Committee of the Board (ACB) of the Bank, is disclosed in the Report on Corporate Governance, which forms part of this report.

### Remuneration Policy

The Bank has formulated and adopted a Comprehensive Remuneration Policy for its Directors, Key Managerial Personnel and other Employees, in terms of the relevant provisions of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations relating to Corporate Governance. During the year, the said Policy was reviewed by the Board of Directors of the Bank. The details of the said Remuneration Policy have been disclosed in the Report on Corporate Governance, which forms part of this report. The said Policy has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>.

### Whistle Blower Policy and Vigil Mechanism

The details of the Whistle Blower Policy and Vigil Mechanism have been disclosed in the Report on Corporate Governance, which forms part of this report.

### Subsidiaries

As on 31<sup>st</sup> March 2019, the Bank has the following eleven unlisted subsidiary companies and one step down subsidiary;

- i) Axis Asset Management Company Ltd. undertakes the activities of managing the mutual fund business.
- ii) Axis Mutual Fund Trustee Ltd. acts as the trustee for the mutual fund business.
- iii) Axis Capital Ltd. provides services relating to investment banking, equity capital markets, institutional stock broking, mergers and acquisition advisory etc.
- iv) Axis Finance Ltd. is an NBFC and carries on the activities of corporate and structural lending, loan against property etc.
- v) Axis Securities Ltd. is in the business of marketing of credit cards and retail asset products (Discontinued its non - broking business w.e.f. 28<sup>th</sup> March 2019) and retail broking services.
- vi) A.TREDS Ltd. is engaged in the business of facilitating financing of trade receivables.
- vii) Axis Bank UK Ltd. is the banking subsidiary of the Bank in the United Kingdom and undertakes the activities of banking.
- viii) Axis Trustee Services Ltd. is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitisation trusts.
- ix) Freecharge Payment Technologies Private Ltd is in the business of providing merchant acquiring services, payment aggregation services, payment support services, and business correspondent to a Bank/Financial Institution, distribution of Mutual Funds.
- x) Accelyst Solutions Private Ltd. is in the business of providing Online marketing and sales promotion solutions, providing facilities to recharge online prepaid, postpaid mobile phones connections, DTH connections and data cards etc, distribution of mutual fund & insurance services.
- xi) Axis Private Equity Ltd. primarily carries on the activities of managing equity investments and provides venture capital support to businesses.
- xii) Axis Capital USA, LLC. is a wholly owned subsidiary of Axis Capital Limited incorporated in USA and provides financial services relating to equity capital market, institutional stock broking to institutional investors in USA.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Bank has prepared its consolidated financial statements including that of all its subsidiary companies, which forms part of this report. The financial position and performance of each of the said subsidiary companies are given in the statement containing the salient features of the financial statements of the said subsidiary companies of the Bank, which is annexed to this report.

In accordance with the third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Bank, containing therein its standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto have also been hosted on the website of the Bank [www.axisbank.com](http://www.axisbank.com).

Further, in accordance with the fourth proviso to the said section, the audited annual accounts of each of the said subsidiary companies of the Bank have been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>.

Any shareholder interested in obtaining a physical copy of the said financial statements may write to the Company Secretary at the Registered Office of the Bank. Further, please note that the said financial statements will also be available for inspection by the shareholders of the Bank and Trustees of Debenture holders at the Registered Office of the Bank during business hours from 11.00 a.m. to 1.00 p.m. on all working days except Saturdays, Sundays, Bank Holidays and National Holidays.

### **Related Party Transactions**

During the year, the Bank has not entered into any materially significant transactions with its Promoters, Directors, Management, Subsidiaries or Relatives of the Directors/Management, which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into in the ordinary course of its business.

Transactions entered into by the Bank with related parties in the normal course of its business were placed before the ACB. There are no material transactions entered into with related parties. There were no transactions with related parties, which were not in the normal course of the business of the Bank, nor were there any transactions with related parties or others, which were not on an arm's length basis. Accordingly, Form AOC-2 is not applicable to the Bank. A statement giving details of all related party transactions, entered pursuant to the omnibus approval so granted, is placed before the ACB for their review. The Bank has developed a Standard Operating Procedure for the purpose of identifying and monitoring such transactions. During the year, the Policy on Related Party Transactions has been reviewed by the Board of Directors of the Bank and the same has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>, in terms of the Listing Regulations relating to Corporate Governance.

### **Employee Stock Option Plan (ESOP)**

Since the financial year 2000-01, the Bank has formulated and adopted Employee Stock Option Schemes (ESOS) for the benefit of the eligible Employees/Managing Director & CEO and Whole Time Directors of the Bank and that of its subsidiary companies ("eligible Employees/Directors"), in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended. The objective of the said ESOS is to enhance employee motivation, enable employees to participate, directly or indirectly, in the long-term growth and financial success of the Bank, to act as a retention mechanism by enabling employee participation in the business of the Bank as its active stakeholder and to usher an 'owner-manager' culture.

During the year under review, the Shareholders of the Bank, by means of a special resolution, passed through Postal Ballot on 17<sup>th</sup> January 2019, approved the creation, issue and allotment of additional 2,50,00,000 stock options convertible into 2,50,00,000 equity shares of ₹2/- each of the Bank, to the eligible Employees/Directors.

In terms of the said ESOS, as on date, up to 26,50,87,000 stock options are available for grant by the Bank to the eligible Employees/Directors. The eligibility and number of stock options to be granted to such eligible Employees/Directors is determined on the basis of the outcome of their performance evaluation and such other criteria as approved by the NRC / Board of Directors of the Bank, from time to time.

During the period from February 2001 to January 2019, the Shareholders of the Bank had approved the grant of stock options, as aforesaid, on seven occasions. Under the first two ESOS of the Bank and in respect of the grant of stock options made by the Bank upto 29<sup>th</sup> April 2004, the option conversion price was set at the average of the daily high-low price of the Bank's equity shares traded during the 52 weeks preceding the date of approval of grant by the Board / NRC, prevailing on the Stock Exchange which had the maximum trading volume of the Bank's equity share during the said period. Thereafter, under the third and subsequent ESOS of the Bank and with effect from the said grants made by the Bank on or after 10<sup>th</sup> June 2005, the stock option conversion

price was changed to the latest available closing price of the equity shares of the Bank, prevailing on the Stock Exchange which recorded higher trading volume, on the day prior to the date of approval of grant by the NRC.

Pursuant to the sub-division of the equity shares of the Bank, the Shareholders of the Bank at the 20<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> June 2014, also approved the consequent adjustments to the stock options granted to the eligible Employees/Directors, under the various ESOS of the Bank, such that all stock options available for grant (including lapsed and forfeited options available for reissue) and those already granted but not vested and those vested but not exercised, as on the record date fixed for the purpose of sub-division, were proportionately converted into options bearing equity shares of the face value of ₹2/- each of the Bank and the grant price of all the outstanding stock options (unvested, vested and unexercised) as on the said record date for the purpose of sub-division were proportionately adjusted by dividing the existing grant price by 5. The record date for the said sub-division was 30<sup>th</sup> July 2014.

Since 24<sup>th</sup> February 2001 up to 27<sup>th</sup> March 2019, the NRC / Board had out of the said 26,50,87,000 stock options, approved the grant of 27,01,13,700 stock options (including 2,69,83,897 stock options which had lapsed and were forfeited) to the eligible Employees/Directors, in terms of the various ESOS of the Bank. The said stock options are non-transferable and vest at the rates of 30%, 30% and 40% on each of three successive anniversaries following the date of respective grant, subject to standard vesting and other conditions as set out in the respective ESOS of the Bank. The said stock options are required to be exercised by the concerned eligible Employees/Directors, within a period of three / five years, from the date of its respective vesting, in terms of the respective ESOS of the Bank.

As of 31<sup>st</sup> March 2019, out of the said 27,01,13,700 stock options so granted 24,54,77,475 stock options have been vested, out of which 20,24,96,929 stock options have been exercised and the balance 1,71,38,224 stock options remain unexercised. Further 2,34,94,650 stock options remained unvested and 2,69,83,897 stock options had been treated as lapsed and forfeited.

There were no material changes in the ESOS of the Bank during the financial year 2018-19 and the same is in compliance with the relevant provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended.

Statutory disclosures as mandated under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, have been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>.

### **Corporate Governance**

The Bank is committed to achieving and adhering to the highest standards of Corporate Governance and it constantly benchmarks itself with best practices, in this regard.

The Report on Corporate Governance for the financial year 2018-19 along with the Certificate issued by the Statutory Auditors of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the Listing Regulations, forms part of this report.

The Corporate Governance framework of the Bank incorporates all the mandatory requirements as prescribed in the Listing Regulations. The Bank has also adopted the non-mandatory requirements as recommended in the Listing Regulations, detailed in the Report on Corporate Governance, which forms part of this report.

### **Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Bank has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during the financial year 2018-19 is disclosed in the Report on Corporate Governance, which forms part of this report.

### **Directors' Responsibility Statement**

The Board of Directors of the Bank hereby declares and confirms the following statements, in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures.

- b) That such accounting policies as mentioned in Note no. 17 of the Notes to accounts of the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March 2019 and of the profit of the Bank for the year ended on that date.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- d) That the annual accounts have been prepared on a going concern basis.
- e) That internal financial controls to be followed by the Bank, were in place and that the same were adequate and were operating effectively.
- f) That proper system to ensure compliance with the provisions of all applicable laws was in place and the same were adequate and operating effectively.

### **Annual Return**

In accordance with the Companies (Amendment) Act, 2017, read with Section 134(3) of the Companies Act, 2013, the Annual Return, under Section 92 (3) of the Companies Act, 2013, can be accessed on the website of the Bank at <https://www.axisbank.com/shareholders-corner/shareholders-information> and the extract of the Annual Return in Form MGT-9, is provided as an annexure to this report.

### **Particulars of Employees**

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of Directors / Employees of the Bank, is provided as an annexure to this report.

As on 31<sup>st</sup> March 2019, the Bank had 57 employees who were employed throughout the year and were in receipt of remuneration of more than ₹1.02 crore per annum and 19 employees of the Bank who were employed for part of the year and were in receipt of remuneration of more than ₹8.50 lakh per month.

In terms of Section 136 of the Companies Act, 2013, the copy of the financial statements of the Bank, including the consolidated financial statements, the auditor's report and relevant annexures to the said financial statements and reports are being sent to the Members and other persons entitled thereto, excluding the information in respect of the said 76 employees of the Bank containing the particulars as specified in Rule 5 (2) of the said Rules, which is available for inspection by the Members at the Registered Office of the Bank during business hours of the Bank up to the date of the ensuing Annual General Meeting. Any Member interested in obtaining a copy thereof, may write to the Company Secretary of the Bank at its Registered Office.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

#### **Conservation of Energy & Technology Absorption:**

Energy and natural resource conservation have been focus areas for the Bank and conscious efforts are being made towards improving energy performance, year on year.

For Sustainable Development, Energy efficiency initiatives have been implemented across several branches and offices through energy and resource conservation projects.

The Bank ensures strict compliance with all statutory requirements and voluntarily undertakes several sustainable steps in order to contribute towards a better environment.

Some of the steps undertaken and the impact perceived are listed below:

- Implementation of Solar energy projects across select Branches/ Offices, aggregating ~7.05 MW. This includes 2.00 MW project at Sonalwadi, Solapur, Maharashtra.



- Implementation of Centralised Energy Management System (CEMS) to monitor and control energy consumption.
- Conversion of conventional lighting to LED in 250 plus number of Locations with premises size more than 4000 sq.ft. & implementation of LED lights in all new Branches/Offices.
- Conversion of Food/Wet waste at Axis House, Mumbai, into manure through compost machine for use in landscaping/gardening.
- Maintenance of unity power factor through APFC panels in auto mode for optimum use of power at Axis House Mumbai and Noida.
- Installation of Motion sensors for workstation and common area lighting at Axis House, Mumbai.
- Re-cycling of Dry waste at Axis House, Mumbai, into stationery items like notepads.
- Daily re-cycling of 150 KL of water through Sewage Treatment Plant at Axis House, Mumbai.
- Reduction of water consumption at Axis House, Mumbai through use of aerators.
- Rain Water Harvesting of ~2000 KL of water yearly, at Axis House, Mumbai.
- Saving of water through use of Bio-blocks in urinals at Select Large Offices.
- Installation of sensors in washbasins to optimise flow of water at Select Large Offices.

### Foreign Exchange Earning and Outgo:

The provisions relating to Section 134(3)(m) of the Companies Act, 2013 on particulars relating to Foreign Exchange Earning and Outgo are not applicable to a Banking Company, as such no disclosure is being made, in this regard.

### Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the Listing Regulations, is provided as an annexure to this report.

### Risk Management

Pursuant to Regulation 21 of the Listing Regulations, the Bank has constituted a Risk Management Committee. The details of the said Committee and its terms of reference are set out in the Report on Corporate Governance, which forms part of this report.

The Bank has formulated and adopted a robust Risk Management Framework. Whilst the Board is responsible for framing, implementing and monitoring the Risk Management Framework, it has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Bank to the said Committee. The details of the Risk Management Framework and issues related thereto have been explained in the Management's Discussion and Analysis Report, which is provided as an annexure to this report.

### Business Responsibility Report

In terms of Regulation 34(2)(f) of the Listing Regulations, top 500 listed entities based on their market capitalisation as on 31<sup>st</sup> March every year, are required to submit their Business Responsibility Report (BRR) as a part of their Annual Report. The Bank's BRR describing the initiatives taken by the Bank from an Environmental, Social and Governance perspective has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report>. Any Member interested in obtaining a copy of the BRR may write to the Company Secretary of the Bank at its Registered Office.

### Particulars of Loans, Guarantees and Investments

The provisions relating to Section 134(3)(g) of the Companies Act, 2013 on particulars of loans, guarantees and investments are not applicable to a Banking Company, as such no disclosure is being made, in this regard.

### Corporate Social Responsibility

The Bank has constituted the Corporate Social Responsibility (CSR) Committee of the Board, in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended.

The brief outline of the CSR Policy, including overview of the programs undertaken by the Bank, the composition of the CSR Committee, average net profits of the Bank for the past three financial years, prescribed CSR expenditure and details of the amounts spent by the Bank on CSR activities during the year under review, have been provided as an annexure to this report.

During the year, the said Policy has been reviewed by the Board and the same has been hosted on the website of the Bank at <https://www.axisbank.com/csr>.

### **Plan and Status of Ind AS Implementation**

The RBI had issued a circular in February 2016 requiring banks to implement Indian Accounting Standards (Ind AS) and prepare standalone and consolidated Ind AS financial statements with effect from 1<sup>st</sup> April 2018. Banks were also required to report the comparative financial statements for the financial year 2017-18, to be published along with the financial statement for the year beginning 1<sup>st</sup> April 2018. However, the RBI in its press release issued on 5<sup>th</sup> April 2018 deferred the applicability of Ind AS by one year (i.e. 1<sup>st</sup> April 2019) for Scheduled Commercial Banks. Further, RBI in a circular issued on 22<sup>nd</sup> March 2019 has deferred the implementation of Ind AS, till further notice.

In line with the RBI guidelines on Ind AS implementation, the Bank has a Steering Committee comprising members from the concerned functional areas, headed by the Executive Director (Wholesale Banking). A quarterly progress report on the status of Ind AS implementation in the Bank is presented to the Audit Committee of the Board. During the FY 2016-17, the Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS.

The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the advanced stage of implementing necessary changes in its IT system and other processes. The Bank has been holding workshops and training for its staff, which will continue in the current year. The Bank has also submitted to RBI Proforma Ind AS financial statements for the six months ended 30<sup>th</sup> September 2016 and three months ended 30<sup>th</sup> June 2017 and for the first three quarters of FY 2018-19.

The Bank is also examining impact of Ind AS on business planning, budgeting, taxation, capital planning and on capital adequacy.

The Bank is also in the process of preparation of proforma Ind-AS financial statements, for the year ended 31<sup>st</sup> March 2019.

### **Statutory Auditor**

At the 24<sup>th</sup> Annual General Meeting of the Shareholders of the Bank held on 20<sup>th</sup> June 2018, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Membership Number 103523W/W100048), were appointed as the Statutory Auditors of the Bank to hold office as such from the conclusion of the 24<sup>th</sup> Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting, subject to the approval of the Reserve Bank of India and on such remuneration, as may be approved by the ACB.

In terms of the relevant provisions of the Banking Regulation Act, 1949, the approval of the RBI is mandatory for appointment of Statutory Auditors of the Bank every year. The Bank will obtain the requisite approval of RBI for the appointment of M/s Haribhakti & Co. LLP as the Statutory Auditors of the Bank, for the financial year 2019-20.

In this regard, the Bank has received a certificate from the said Statutory Auditors to the effect that the appointment, if made, would be in accordance with the relevant provisions of Section 141 of the Companies Act, 2013.

As required under Regulation 33(1)(d) of the Listing Regulations, the Statutory Auditors have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and that they hold a valid certificate issued by the Peer Review Board of ICAI.

There are no qualifications, reservations or adverse remarks made by M/s Haribhakti & Co. LLP, Chartered Accountants, Statutory Auditors of the Bank, in their report. Further, pursuant to Section 143(12) of the Companies Act, 2013, the Statutory Auditors of the Bank have not reported any instances of frauds committed in the Bank by its officers or employees.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank appointed M/s BNP & Associates, Company Secretaries, Mumbai, as the Secretarial Auditor of the Bank, for the financial year 2018-19. The secretarial audit of the Bank was conducted in respect of the matters prescribed in the said Rules and as set out in the Secretarial Audit Report for the financial year 2018-19, which is provided as an annexure to this report.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor of the Bank, in its report.

In terms of SEBI circular no CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February 2019, relating to Annual Secretarial Compliance Report, the Bank appointed M/s. BNP & Associates, Company Secretaries, to conduct the audit of the Secretarial Compliance for the financial year 2018-19. The Bank will submit the Annual Secretarial Compliance Report to the Stock Exchanges within the prescribed time limit and host the same on its website.

### **Significant and Material Order Passed by Regulators or Courts or Tribunals Impacting the Going Concern Status and Operations of the Bank**

During the financial year 2018-19, no significant or material order was passed by any Regulator, Court or Tribunal against the Bank, which could impact its going concern status or operations.

### **Adequacy of Internal Financial Controls Related to Financial Statements**

The Board has inter alia reviewed the adequacy and effectiveness of the Bank's internal financial controls relating to its financial statements.

The Board has discussed with the Management of the Bank the major financial risk exposures and the steps taken by it to monitor and control such exposures, overseen and reviewed the functioning of the Whistle Blower Mechanism (which is a part of the Bank's Fraud Risk Management Policy) and the findings in respect of the investigations conducted on frauds, which were material in nature and the actions taken by the Management, in this regard.

### **CEO & CFO Certification**

Certificate issued by Shri Amitabh Chaudhry, Managing Director & CEO and Shri Jairam Sridharan, Group Executive & CFO of the Bank, for the financial year ended 31<sup>st</sup> March 2019, was placed before the Board of Directors at its meeting held on 25<sup>th</sup> April 2019, in terms of Regulation 17(8) of the Listing Regulations.

### **Material Changes and Commitments affecting the financial position of the Bank**

There are no material changes and commitments which affected the financial position of the Bank, which occurred between the end of the financial year of the Bank to which the financial statements relate and upto the date of this report.

Post adoption of the annual financial statements by the Board of Directors, the Bank has classified an account in the sugar sector as non-performing per instructions received from the RBI, with retrospective effect from 1<sup>st</sup> February 2016. As the Bank already held substantial provision against this account as on 31<sup>st</sup> March 2019, no further provisioning is required due to change in the status of the account.

### **Acknowledgements**

The Board of Directors places on record its gratitude to the Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, other Statutory and Regulatory Authorities, Financial Institutions, Stock Exchanges, Registrar and Share Transfer Agent, Debenture Trustees, Depositories and Correspondent Banks for their continued support and guidance.

The Board also places on record its appreciation to the Shareholders of the Bank for their continued support and to its valued customers for their continued patronage.

The Board also expresses its deep sense of appreciation to all the employees of the Bank for their strong work ethics, excellent performance, professionalism, teamwork, commitment and initiatives which has led to the Bank reinforcing its customer centric image and making commendable progress in today's challenging environment.

For and on behalf of the Board of Directors

Dr. Sanjiv Misra  
Chairman

Place: New Delhi  
Date: 22<sup>nd</sup> May 2019

# Management's Discussion and Analysis

## MACRO-ECONOMIC ENVIRONMENT

After a steady start, the global growth slowed notably towards the second half of fiscal 2019 as the macro environment became increasingly challenging. The trade related uncertainty has hurt China and other allied supply chain economies, including Japan. The Euro area economy has also moderated with demand for cars weakening, fiscal concerns in Italy and reform backlash in France. Growth in the US continued to be supported by fiscal stimulus, but expectations going ahead are weaker. Most global central banks have responded to this: the US Fed and the ECB have ruled out rate hikes in 2019 and signalled slower withdrawal of Quantitative easing liquidity.

Although India's macro fundamentals (balance of payments, inflation, etc.) have remained broadly stable, the growth momentum has rapidly deteriorated. Official estimates of fiscal 2019 growth have been lowered to 6.8%, and Q4 FY19 prints of industrial and export activity continue to remain weak. This is particularly evident in shrinking commercial and passenger vehicle sales. The key concern lies in a reversal of the nascent capex revival witnessed earlier in fiscal 2019. The capital goods segment in the Index of Industrial Production (IIP) was seen to be reviving in recent quarters, but this has also come off.

Noting the weaker growth conditions and benign inflation trajectory ahead, the MPC cut the repo rate 50 bps sequentially in February (and then in early April), reversing all the tightening of 2018. However, the stance was maintained at neutral, given the near term risks.

Bank credit growth, despite moderating capex, has remained strong, but this largely reflects diversion of credit from NBFCs. RBI data indicates aggregate credit growth in fiscal 2019 from all intermediaries, including NBFCs, remained lower than in fiscal 2018.

## PROSPECTS FOR FISCAL 2020

The IMF had earlier revised 2019 global growth projection down to 3.3%, the weakest since 2009. This is likely to further moderate. US trade frictions with a number of countries (especially China), Brexit and geopolitics are also likely to keep financial markets volatile and hold back investments across major economies, although oil might.

India growth is unlikely to improve significantly in the near term, particularly if exports and private investment underperform. RBI forecasts fiscal 2020 GDP growth at 7.2%, but this will be contingent on assumptions of financial market stability and credit flows, as well as a normal monsoon.

RBI further revised lower its inflation projections, with CPI inflation now forecast below 4% for the rest of fiscal 2020, although H2 numbers are likely to creep higher. With crude oil now reverting back toward \$60/barrel on weaker global demand expectations, a major inflation source is likely to remain moderate. Risks remain, with food prices already trending higher, and potential fiscal slippage especially in state budgets.

With the growth – inflation mix outlined above, monetary policy is likely to retain a fairly strong easing bias in fiscal 2020. We expect another repo rate cut in early June. The monetary policy focus in the near term is likely to be on transmission, with liquidity infusions, but if inflation remains benign, there is room for further cuts in the repo rate. However, this view is subject to a measure of fiscal consolidation. Relatively stable macros imply stability of the Rupee, but global economic and political risks might lead to volatility in foreign exchange and interest rate markets. India's twin deficits – fiscal and Current Account – could still lead to some market volatility, driven by the outlook on fiscal slippages.

Bank credit growth is likely to sustain around 12 – 13% in fiscal 2020, based on the above assumptions of moderate growth, capex improvement, gradually normalising credit markets and monetary policy easing.

## OVERVIEW OF FINANCIAL PERFORMANCE

### Operating performance

(₹ in crore)

Particulars	2018-19	2017-18	% change
Net interest income	21,708	18,618	17%
Non-interest income	13,130	10,967	20%
<b>Operating revenue</b>	<b>34,838</b>	<b>29,585</b>	<b>18%</b>
Operating expenses	15,833	13,990	13%
<b>Operating profit</b>	<b>19,005</b>	<b>15,595</b>	<b>22%</b>
Provisions and contingencies	12,031	15,473	(22%)
<b>Profit before tax</b>	<b>6,974</b>	<b>122</b>	-
Provision for tax	2,297	(154)	-
<b>Net profit</b>	<b>4,677</b>	<b>276</b>	-

Net profit for the year ended 31 March, 2019 increased and stood at ₹4,677 crore, as compared to the net profit of ₹276 crore last year, primarily on account of higher revenue driven by net interest income, recoveries and lower provisions for non-performing assets (NPAs). Operating profit reported a healthy growth of 22% over the previous year to ₹19,005 crore with core operating profit growth of 29%.

Operating revenue increased by 18% YoY from ₹29,585 crore in fiscal 2018 to ₹34,838 crore in fiscal 2019. Net interest income (NII) rose 17% from ₹18,618 crore in fiscal 2018 to ₹21,708 crore in fiscal 2019. Non-interest income consisting of fee, trading and other income increased by 20% from ₹10,967 crore in fiscal 2018 to ₹13,130 crore in fiscal 2019.

Operating expenses rose 13% from ₹13,990 crore in fiscal 2018 to ₹15,833 crore in fiscal 2019 as the Bank continued to invest in branch infrastructure, technology and human capital to support its business growth. Healthy growth in operating revenues along with comparatively lower growth in operating expenses this fiscal led to a growth in the Bank's operating profit by 22% to ₹19,005 crore from ₹15,595 crore reported last year. Provisions and contingencies declined by 22% from ₹15,473 crore in fiscal 2018 to ₹12,031 crore in fiscal 2019. Consequently, profit before taxes increased to ₹6,974 crore and net profit increased from ₹276 crore in fiscal 2018 to ₹4,677 crore in fiscal 2019.

### Net interest income

(₹ in crore)

Particulars	2018-19	2017-18	% change
Interest on loans	41,322	34,137	21%
Interest on investments	11,349	9,983	14%
Other interest income	2,315	1,660	39%
<b>Interest income</b>	<b>54,986</b>	<b>45,780</b>	<b>20%</b>
Interest on deposits	23,708	19,174	24%
Other interest expense	9,570	7,989	20%
<b>Interest expense</b>	<b>33,278</b>	<b>27,163</b>	<b>23%</b>
<b>Net interest income</b>	<b>21,708</b>	<b>18,618</b>	<b>17%</b>
Average interest earning assets <sup>1</sup>	632,690	541,127	17%
Average CASA <sup>1</sup>	202,733	179,731	13%
Net interest margin	3.43%	3.44%	-
Yield on assets	8.68%	8.44%	-
Yield on advances	9.44%	9.12%	-
Yield on investments	7.28%	7.14%	-
Cost of funds	5.43%	5.15%	-
Cost of deposits	5.12%	4.89%	-

<sup>1</sup> computed on daily average basis

NII constituted 62% of the operating revenue, and increased by 17% from ₹18,618 crore in fiscal 2018 to ₹21,708 crore in fiscal 2019. The increase is primarily due to an increase in average interest earning assets on a daily average basis by 17%.

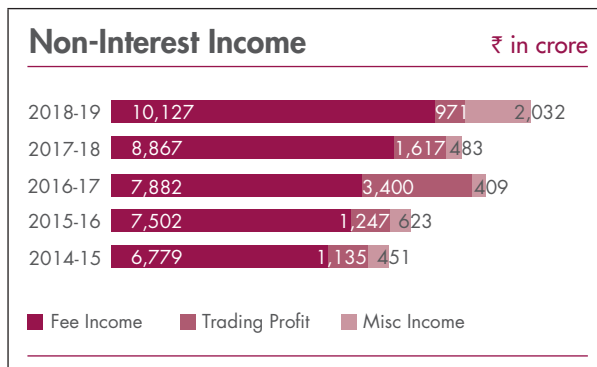
During this period, the yield on interest earning assets increased from 8.44% last year to 8.68%. The yield on advances increased by 32 bps from 9.12% in fiscal 2018 to 9.44% in fiscal 2019 primarily due to lower interest reversals on NPAs and increase marginal cost of funds based lending rate (MCLR) by 50 bps in fiscal 2019. The yield on investments increased by 14 bps during the fiscal 2019. Cost of funds increased by 28 bps from 5.15% in fiscal 2018 to 5.43% in fiscal 2019. During the year, the Bank widened its focus from CASA deposits to CASA plus Retail term deposits (RTD) as part of its overall deposits strategy. As a result, the cost of deposits increased to 5.12% from 4.89% last year, primarily due to increase in cost of term deposits by 22 bps to 7.13% from 6.91% last year. CASA and RTD deposits together, on a daily average basis, reported a healthy increase of 17% to ₹368,017 crore from ₹315,710 crore last year.

### Non-interest income

(₹ in crore)			
Particulars	2018-19	2017-18	% change
Fee income	10,127	8,867	14%
Trading profit	971	1,617	(40%)
Miscellaneous income	2,032	483	320%
<b>Non-interest income</b>	<b>13,130</b>	<b>10,967</b>	<b>20%</b>

Non-interest income comprising fees, trading profit and miscellaneous income increased by 20% to ₹13,130 crore in fiscal 2019 from ₹10,967 crore last year and constituted 38% of the operating revenue of the Bank.

Fee income increased by 14% to ₹10,127 crore from ₹8,867 crore last year and continued to remain a significant part of the Bank's non-interest income. It constituted 77% of non-interest income and contributed 29% to the operating revenue. The share of granular fees comprising of Retail and Transaction Banking fees witnessed improvement during the year, and stood at 80% compared to 75% last year. Retail card fees, Retail non-card fees and Transaction Banking fees constituted 24%, 37% and 19%, respectively of the total fee income in fiscal 2019. The Corporate Banking fee growth improved during the year as the Bank's continued focus on better rated corporate clients. The share of Corporate fee in the overall fee profile stood at 13%. The rest 7% was contributed by Treasury, and SME segments.



During the year, proprietary trading profits decreased by 40% to ₹971 crore from ₹1,617 crore last year mainly on account of lower profits on SLR and bond portfolio in fiscal 2019 compared to fiscal 2018.

During the year, Bank sold stake in Max Life Insurance Company and National Securities Depository Limited which led to gain of ₹342 crore.

The Bank's miscellaneous income was higher at ₹2,032 crore compared to ₹483 crore in fiscal 2018, mainly on account of recovery in written off accounts. The Bank recovered ₹1,867 crore in fiscal 2019 from written off accounts, compared to ₹183 crore in fiscal 2018. Recoveries primarily came from the iron and steel sector.

### Operating revenue

The operating revenue of the Bank increased by 18% to ₹34,838 crore from ₹29,585 crore last year. The core income streams (NII and fees) constituted 91% of the operating revenue, reflecting the stability of the Bank's earnings.

## Operating expenses

(₹ in crore)

Particulars	2018-19	2017-18	% change
Staff cost	4,747	4,313	10%
Depreciation	710	568	25%
Other operating expenses	10,376	9,109	14%
<b>Operating expenses</b>	<b>15,833</b>	<b>13,990</b>	<b>13%</b>
<b>Cost : Income Ratio</b>	<b>45.45%</b>	<b>47.29%</b>	-
<b>Cost : Asset Ratio</b>	<b>2.13%</b>	<b>2.17%</b>	-

The operating expenses growth for the Bank moderated during the year to 13% as compared to 15% last year as the Bank continued to focus on controlling expenses. However, the Bank continues to invest in expanding branch network and other infrastructure required for supporting the existing and new businesses, as a result of which the operating expenses increased to ₹15,833 crore from ₹13,990 crore last year. The Operating Expenses to Assets ratio stood at 2.13% compared to 2.17% last year.

Staff cost increased by 10% from ₹4,313 crore in fiscal 2018 to ₹4,747 crore in fiscal 2019, primarily on account of increase in employee strength from 59,614 as at end of fiscal 2018 to 61,940 as at the end of fiscal 2019.

Other operating expenses increased by 14% from ₹9,109 crore in fiscal 2018 to ₹10,376 crore in fiscal 2019. The increase is primarily due to investments in branch infrastructure and technology to support business growth. The Bank added 347 branches during fiscal 2019.

## Operating profit and Core-operating profit

During the year, the operating profit of the Bank increased by 22% to ₹19,005 crore from ₹15,595 crore last year and core operating profit increased by 29% to ₹18,034 crore from ₹13,978 crore during the same time.

## Provisions and contingencies

(₹ in crore)

Particulars	2018-19	2017-18	% change
Provision for non-performing assets	10,221	16,598	(38%)
Provision for restructured assets/SDR/S4A	(20)	(307)	(93%)
Provision for standard assets including unhedged foreign currency exposure	829	(144)	-
Provision for depreciation in value of investments	300	(211)	-
Provision for country risk	-	(20)	-
Provision for other contingencies	701	(443)	-
<b>Provisions and contingencies</b>	<b>12,031</b>	<b>15,473</b>	<b>(22%)</b>

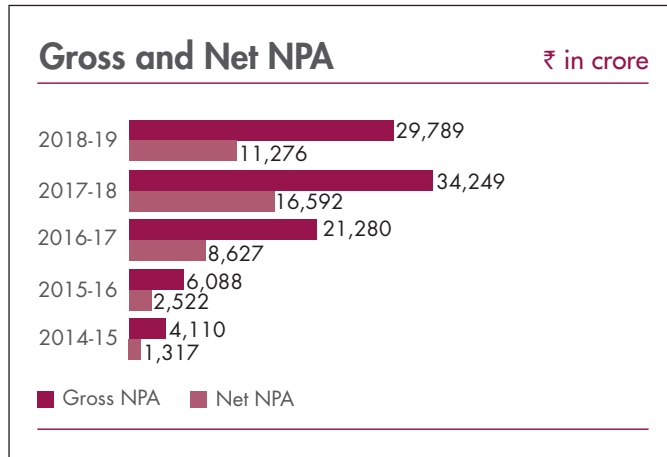
During fiscal 2019, the Bank created total provisions (excluding provisions for tax) of ₹12,031 crore compared to ₹15,473 crore last year. The Bank provided ₹10,221 crore towards non-performing assets compared to ₹16,598 crore last year and ₹829 crore were provided for standard assets including provision for unhedged foreign currency exposure compared to ₹144 crore written back last year. The credit costs for fiscal 2019 stood at 1.91%, 166 bps lower than that of 3.57% witnessed in fiscal 2018.

During the year, the Bank has started maintaining standard asset provision on outstanding corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC, at rates that are higher than those prescribed by RBI. Provision for standard assets made during the year includes provision ₹378 crore on these categories of weak standard advances. Provision for other contingencies includes a provision of ₹605 crore on non-banking assets acquired in satisfaction of claims.

As a result of above, provisions and contingencies for the year is lower by ₹3,442 crore with a consequent increase to the profit before tax.

## Asset Quality Parameters

The asset quality metrics improved during the fiscal, with slippages having moderated significantly from the highs witnessed last fiscal and consequent reduction in NPA ratios. During the fiscal, the quantum of low rated pool of BB and below accounts reduced materially and stood at ₹7,467 crore as compared to ₹8,994 crore at the end of fiscal 2019. The Bank added ₹6,204 crore of corporate slippages during the year, of which 87% came from lower rated “BB and below” pool.



The Bank added ₹13,871 crore as fresh addition to Gross NPAs during the fiscal year with the Bank’s ratio of Gross NPAs to gross customer assets decreasing to 5.26%, at the end of March 2019 from 6.77% as at end of March 2018.

The Bank added ₹4,770 crore to Net NPAs after adjusting for recoveries and upgradations of ₹4,027 crore and ₹5,074 crore respectively and the Bank’s Net NPA ratio (Net NPAs as percentage of net customer assets) decreased to 2.06% from 3.40%.

The Bank’s provision coverage has increased during the fiscal and stood at 77% after considering prudential write-offs. The Bank’s accumulated prudential write off pool stood at ₹18,772 crore as at end of fiscal 2019 with ₹7,691 crore being written off in the last year.

## Key ratios

Particulars	2018-19	2017-18
Basic earnings per share (₹)	18.20	1.13
Diluted earnings per share (₹)	18.09	1.12
Book value per share (₹)	259.27	247.20
Return on equity (%)	8.09%	0.53%
Return on assets (%)	0.63%	0.04%
Net interest margin (%)	3.43%	3.44%
Profit per employee (₹ lakh)	7.61	0.47
Loan to Deposit ratio (Domestic)	83.55%	85.50%
Loan to Deposit ratio (Global)	90.21%	96.92%

Basic Earnings Per Share (EPS) was ₹18.20 compared to ₹1.13 last year, while the Diluted Earnings Per Share was ₹18.09 compared to ₹1.12 last year. Return on Equity (RoE) and Return on Assets (RoA) improved during the year and stood to 8.09% and 0.63% respectively. Book Value per Share increased by 5% to ₹259.27 from ₹247.20 last year. Profit per Employee stood at ₹7.61 lakh.

Loan to Deposit ratio of the Bank as on 31 March, 2019 was at 90.21% with a domestic CD ratio of 83.55%.



## Balance Sheet parameters

### Assets

(₹ in crore)

Particulars	2018-19	2017-18	% change
Cash and bank balances	35,099	35,481	(1%)
Government securities	120,239	104,053	16%
Other securities	54,730	49,823	10%
<b>Total investments</b>	<b>174,969</b>	<b>153,876</b>	<b>14%</b>
Retail advances	245,812	206,464	19%
Corporate advances	183,402	174,446	5%
SME advances	65,584	58,740	12%
<b>Total advances</b>	<b>494,798</b>	<b>439,650</b>	<b>13%</b>
Fixed assets	4,037	3,972	2%
Other assets <sup>1</sup>	59,988	50,377	19%
<b>Total assets</b>	<b>800,997</b>	<b>691,330</b>	<b>16%</b>

<sup>1</sup> includes Priority Sector Lending deposits of ₹28,162 crore (previous year ₹21,479 crore)

Total assets increased by 16% to ₹800,997 crore as on 31 March, 2019 from ₹691,330 crore on 31 March, 2018, driven by 13% and 14% growth in advances and investments, respectively.

### Advances

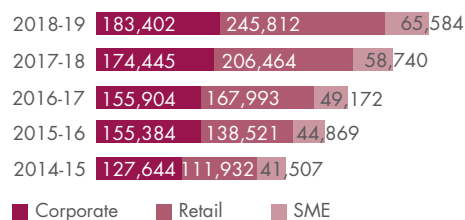
Total advances of the Bank as on 31 March, 2019 increased by 13% to ₹494,798 crore from ₹439,650 crore as on 31 March 2018, largely driven by healthy growth in the Retail segment. Corporate advances comprised 37% of total loans and grew by 5% to ₹183,402 crore, Retail loans comprised 50% of total loans and grew by 19% to ₹245,812 crore; and the SME loans constituted 13% of total loans and grew by 12% to ₹65,584 crore.

Domestic advances of the Bank as on 31 March, 2019 grew by 18% to ₹456,683 crore from ₹385,885 crore as on 31 March 2018. Further, Domestic corporate advances of the Bank as on 31 March, 2019 increased by 17% to ₹155,421 crore from ₹132,591 crore as on 31 March 2018.

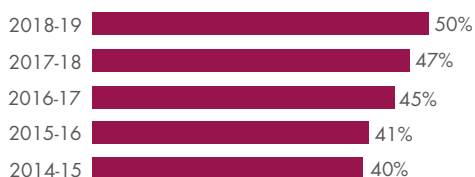
The retail lending growth was led by auto loans, personal loans, and credit cards. Mortgages continue to grow slower than the retail lending growth. Home loans remain the largest retail segment and accounted for 38% of retail loans, loans against property 8%, personal loans and credit cards were 17% and auto loans 11%, while non-schematic loans comprising loan against deposits and other loans accounted for 6%.

### Advances

₹ in crore



### Retail Advances as % to Total Advances



### Investments

The investment portfolio of the Bank increased by 14% to ₹174,969 crore, of which investments in Government and approved securities, held mainly for SLR requirement, increased by 16% to ₹120,239 crore. Other investments, including corporate debt securities, increased by 10% to ₹54,730 crore. 86% of the government securities has been classified in the HTM category, while 79% of the bonds and debentures portfolio has been classified in the AFS category.

## Liabilities and shareholder's funds

(₹ in crore)

Particulars	2018-19	2017-18	% change
Capital	514	513	-
Reserves and Surplus	66,162	62,932	5%
<b>Total shareholder's funds</b>	<b>66,676</b>	<b>63,445</b>	<b>5%</b>
Deposits	548,471	453,623	21%
- Current account deposits	89,265	95,650	(7%)
- Savings bank deposits	154,129	148,202	4%
- <b>CASA</b>	<b>243,394</b>	<b>243,852</b>	-
- Retail term deposits	198,914	137,795	44%
- Non-retail term deposits	106,163	71,976	47%
- <b>Total term deposits</b>	<b>305,077</b>	<b>209,771</b>	<b>45%</b>
Borrowings	152,776	148,016	3%
- In India	83,037	76,096	9%
- Infra bonds	16,705	13,705	22%
- Outside India	69,739	71,920	(3%)
Other liabilities and provision	33,073	26,246	26%
<b>Total liabilities and shareholder's funds</b>	<b>800,997</b>	<b>691,330</b>	<b>16%</b>

### Deposits

The total deposits of the Bank increased by 21% to ₹548,471 crore against ₹453,623 crore last year. Savings Bank deposits reported a growth of 4% to ₹154,129 crore, while Current Account deposits reported decrease of 7% to ₹89,265 crore. As on 31 March, 2019, low-cost CASA deposits stood at ₹243,394 crore as compared to ₹243,852 crore last year, and constituted 44% of total deposits as compared to 54% last year. Savings Bank deposits on a daily average basis, increased by 16% to ₹138,727 crore, while Current Account deposits reported a growth of 6% to ₹64,006 crore. The percentage share of CASA in total deposits, on a daily average basis, was at 43% compared to 46% last year.

This year the Bank significantly ramped up its focus on retail term deposits. As on 31 March, 2019, the retail term deposits grew 44% and stood at ₹198,914 crore, constituting 65% of the total term deposits compared to 66% last year. As on 31 March, 2019, CASA and retail term deposits constituted 81% of total deposits.

### Borrowings

The total borrowings of the Bank increased by 3% from ₹148,016 crore in fiscal 2018 to ₹152,776 crore in fiscal 2019. Domestically, the Bank raised ₹3,000 crore through Infrastructure bonds during the fiscal. The outstanding balance in long term infrastructure bonds as on 31 March, 2019 was ₹16,705 crore.

### Capital Management

The Bank continues its endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value. During the year, the Bank has been focusing on increasing the proportion of lower Risk Weighted Assets (RWA). The Bank's RWA to Total Asset's ratio improved from 75% as at the end of Mar'18 to 69% at the end of Mar'19.

During the year, the Bank's capital consumption was modest, driven by improvement in RWA intensity. During the year, the Bank debited reserves for provision towards non-banking assets resulting in impact of 29 bps on Tier 1 CAR. Also the RBI guidelines on creation of Investment Fluctuation Reserve resulted in 11 bps impact on Tier 1 capital. Further the growth consumed 90 bps of Tier 1 CAR, profit (net of dividend) contributed 80 bps making for a net consumption of 50 bps of Tier 1 CAR for the year.

The Bank's capital position continues to be strong and is sufficiently robust for it to pursue growth opportunities.

The Bank's overall capital adequacy ratio (CAR) under Basel III stood at 15.84% at the end of the year, well above the benchmark requirement of 9.00% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 11.27% (against minimum regulatory requirement of 5.50%) and Tier I CAR was 12.54% (against minimum regulatory requirement of 7.00%). As on 31 March, 2019, the Bank's Tier II CAR under Basel III stood at 3.30%.

The following table sets forth the capital, risk-weighted assets and capital adequacy ratios computed as on 31 March, 2019 and 31 March, 2018 in accordance with the applicable RBI guidelines under Basel III.

Particulars	(₹ in crore)	
	2018-19	2017-18
Tier I capital	69,238	67,476
Tier II capital	18,221	18,299
Out of which		
- Tier II capital instruments	14,450	16,035
- Other eligible for Tier II capital	3,771	2,264
<b>Total capital qualifying for computation of capital adequacy ratio</b>	<b>87,460</b>	<b>85,775</b>
<b>Total risk-weighted assets and contingencies</b>	<b>552,048</b>	<b>517,631</b>
<b>Total capital adequacy ratio</b>	<b>15.84%</b>	<b>16.57%</b>
Out of above		
- Common equity tier I capital ratio	11.27%	11.68%
- Tier I capital ratio	12.54%	13.04%
- Tier II capital ratio	3.30%	3.53%

## BUSINESS OVERVIEW

An overview of the Bank's various business segments along with their performance during financial year 2018-19 and future strategies is presented below.

### Retail Banking

Over the years, the Bank has developed strong relationships with its customers by providing end to end financial solutions for their savings, payments and investments needs through multiple channels. The Bank's strong digital & technological capabilities, focused execution and wide distribution has helped it to gain market share and improve customer experience. During the financial year 2018-19, Retail segment contributed 81%, 50% and 61% of the Bank's deposits, advances and Fee Income respectively.

### Retail Deposits

The Bank has clearly identified that deposit growth will drive its balance sheet growth. As a strategy the Bank has shifted its focus from CASA to CASA+RTD. The focus would be to increase penetration in existing Savings Account (SA) base to improve RTD growth and cross sell the Bank's SA products to its non-SA customers. SA segments like Priority, Burgundy, NRI and Government savings will be primary focus areas of the Bank. New SA customer acquisition to be driven by branches, through scaling up digital SA openings and also leveraging other platform businesses of the Bank.

Savings Bank deposits grew by 4% while the Retail Term Deposits (RTD) grew by 44% during the year. As on 31 March, 2019, the Bank had over 26 million savings account customers, registering a growth of 17%. Total Saving account and Retail Term Deposits grew by 23 % to ₹ 353,043 crore from ₹ 285,997 crore in the preceding year.

RTD has been a key driver in growing the retail deposit business. The year saw many new RTD offerings. The Credit Card against FD and overdraft facility against FD were initiatives which helped tackle the issue of premature closures to address liquidity needs for customers. Green Channel RTD was another initiative used to reduce TAT for Trust accounts. Acknowledging the growing impact of mobile, SMS based auto-renewal and other such features to remove friction in the system were introduced. Use of analytics to retain customers with more beneficial and personalized offers has also played a big part in the success of RTD products.

A concerted effort to serve customers better saw the Bank opening several new branches in the financial year. Branches continue to bring in cross sell and upsell opportunities for the Bank, with almost 48% of retail advances being sourced at branches. The Bank has an evenly distributed branch presence across various geographies catering to the needs of diverse customer groups.

During the year the Bank added 347 domestic branches/banking outlets and Nil offshore banking units. The Bank's geographical reach now extends to 29 states and 6 union territories, covering 2,366 centers and 665 districts. As on 31 March, 2019, the Bank had a network of 4,050 domestic branches/banking outlets as compared to 3,703 last year. Around 16% of the Bank's branches are in rural areas and 13% of the Bank's rural branches are in unbanked locations.

As on 31 March, 2019, the Bank had 11,801 ATMs. The Bank was the first private sector Bank to introduce recyclers, which can both accept and dispense cash. As on 31 March, 2019, the Bank had deployed 4,917 recyclers. The recycler handles 66% of the overall cash deposits at the Bank, leading to efficient use of Bank Staff.

### Retail Lending

The Bank has grown its Retail Lending portfolio steadily and strongly with a CAGR growth of 23% over the last 5 years and currently stands at ₹245,812 crore as on 31 March, 2019, up 19% over last year. The Bank continued to increase its share of retail loans to total advances, which stood at 50% as compared to 47% last year.

The proportion of higher yielding Retail Lending products comprising mainly of Personal Loan, Credit Card, Small Business Banking (SBB) stood at 20% as on 31 March 2019 and has consistently increased over the years from 9% as on 31<sup>st</sup> March 2013. Of the total portfolio, home loans accounted for 38%, auto loans 11% and loans against property 9%. The Bank has been focussing on granularization of the retail loans portfolio, the unsecured retail loans stood at 19% of the total portfolio, with personal loans and credit cards accounting for 12% and 5%, respectively. Growth in Retail Lending was led by Personal Loans, Auto Loans and Small Business Banking Loans.

Building a strong digital channel – As a crucial imperative of establishing a strong digital footprint, the Retail Lending team took significant steps towards increasing the digital presence for loan products by creating a vertical to focus and develop this type of lending. In the first full-fledged year of operations, the digital share of the total business is now at 14.2% of the total sourcing of unsecured Personal Loans. The strong offshoots have shown the scalability of the channel along with the seamless customer experience and lower sourcing cost. The Bank will continue to invest and scale up this opportunity further.

### Payments

Payments business plays four important roles in a Bank's strategy. It is the face of the franchise, increases customer engagement, drives profitability and partnerships. Retail electronic payments in India are growing at a tremendous pace, which has rubbed off positively on cards businesses. Cards business at Axis Bank has delivered consistent strong growth which has resulted in strong fee income contribution over the years. Significant headroom remains for continuing its strategy of acquiring cards customers from the Bank's existing deposit base.

Despite being a late entrant in payments solutions, the Bank today is ranked amongst the top players in the credit cards business. The Bank had over 5.96 million credit cards in force, making it the 4<sup>th</sup> largest credit card issuer in the country. The credit cards portfolio saw a substantial increase in spends by 40% to ₹62,083 crore from ₹44,329 crore last year. The Bank is one of the largest debit card issuers in the country, with a base of 24.51 million as on 31 March, 2019. The Debit Cards portfolio has seen an increase of 35% in spends from ₹32,927 crore in to ₹44,610 crore in FY19.

The Bank's merchant acquiring business continues to be one of the largest acquirers in the country with a base of 5,07,409 installed terminals of which 2,13,697 terminals are enabled for accepting contactless payments. In addition to scaling up the business, the Bank is also focused on scaling up the business profitably. The Bank is also using digital technologies like Bharat QR to drive high volume-low value payments acceptance use cases. From a merchant's perspective, the Bank is focused on making payments acceptance simpler and offer value added services that solve business problems.

Digital technologies today allow for several innovations in payments acceptance. During the year, Axis Bank in partnership with Signcatch launched the first of its kind "smart bill pay" initiative for New Delhi Municipal Corporation (NDMC). The solution allows customers to pay their utility bills by just scanning QR code on "personalised smiley fridge magnets" which are mapped to their consumer account number.

Digital Payments continues to be at the core of the Retail Banking strategy. UPI is growing tremendously and the Bank is leveraging UPI to attract non-Axis Bank customers. The Bank was among the early entrants to work closely with NPCI for UPI launch and continues that momentum for UPI 2.0 as well. UPI 2.0 has new features like Overdraft facility, One Time Mandate, Invoice in the

Inbox, Signed intent and QR. In addition to UPI 2.0, as per SEBI mandate, IPO investments (ASBA) will move completely to UPI in a phased manner and this new process would increase efficiency, eliminate the need for manual intervention at various stages, and is expected to reduce the time duration from issue closure to listing by up to 3 working days.

UPI has been dominating the peer-to-peer (P2P) payments space in the last two years. Going forward merchant acceptance (P2M) of UPI is set to expand and is expected to gain a substantial share of P2M payments. Total UPI on-boarded merchants today stands at more than 90,000.

The Bank has built a strong technology platform and developer friendly API's that allow partners, start-ups to plug & play Axis UPI on their mobile applications. The Bank has used this head start to its advantage by making this platform available to multiple partners like Google Pay, Amazon, Uber, Ola Cabs, Samsung Pay, LIC, IRCTC, Big Bazaar, etc. Today the Bank has a share of 11.1 % in UPI transactions, with over 32.58 million UPI IDs on-boarded.

### Wealth

The Bank has built one of the best wealth management franchises among banks in the country. Since 2014, the revenues for the business have grown at 43% CAGR and the AUM at 31% CAGR to cross an overall AUM of ₹ 1,32,702 crore (~[US\$ 19.19 billion]). The challenging investment environment notwithstanding, the business continued on its growth trajectory last year to grow the customer base by 12%. This year, Burgundy was re-positioned as the Wealth Management proposition for the affluent customers. The steady growth and healthy mix of the business has also resulted in the industry recognizing the Bank as a leading player in the wealth management industry. Axis Bank was ranked 4<sup>th</sup> largest amongst private banks and wealth management firms in India by Asian Private Banker in its 2017 India AUM league table.

As a part of the endeavour to provide an enriching banking experience to NRI customers and provide them seamless assistance in fulfilling their banking requirements, the Bank has introduced NRI Digital Relationship Managers who service customers' as per the local timings in their country of residence and aim to strengthen the relationship and create value for the customers as well as for the Bank.

### Remittance business

Globally, inward remittance is a \$600 Bn market with \$69 Bn being transferred specifically to India (Source: World Bank, 2017). Customers are moving from brick and mortar modes to digital platforms to transfer funds. The top 10 digital players are contributing \$80 Bn funds transfers globally.

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

The Bank launched RemitMoney in November 2016 with the vision of making money transfers to India fast, economical, safe & seamless. Over the past 21 months the Bank has continuously reinvented at each and every step by listening to customers & building what they wanted. In October'18, the Bank launched the new RemitMoney website with an interactive interface and enhanced features. Some of the enhanced features include Instant money transfer (within 1 Hour) to India, 24x7 Customer support over chat, email and call, cashpoints reward program to increase loyalty, and scheduling future transfers. With thoughtful user experience design, the Bank has reduced the time taken to initiate the 1<sup>st</sup> transfer from 5 minutes to less than 1 minute and a 30 second time frame to initiate a repeat transaction.

The Bank continues to have a market leadership position in forex cards with 16 currency options other than INR being offered. Additionally, the Bank offers Miles & More Multi-Currency Forex Card in association with Lufthansa airline aimed at frequent flyers, an industry first in this segment.

### Third Party Distribution

The Bank today is one of the leading distributors of mutual fund schemes in India and ranks among the top 5 distributors in terms of Assets under Management (AUM). The Bank distributes Mutual Funds schemes of 13 major Asset Management Companies,

through its diversified branch network and digital channels based on a thorough analysis of the customers' lifecycle and investment requirements. The Bank has over 1 million mutual fund customers. The Bank won the Best Performing Bank – Private at the UTI Mutual Fund and CNBC TV18 Financial Advisor Awards 2017-18 and has been nominated for Wall of Fame year 2018-19.

The Bank also offers online trading services to its customers in collaboration with Axis Securities Ltd. (a 100% subsidiary of the Bank) under the name Axis Direct. Axis Direct crossed 2 million total customers during the year. The Bank has a tie up with Max Life and Life Insurance Corporation of India for distributing life insurance products. The Bank continues to provide the best choice of products across both insurance companies to cater to the financial security of Customers and has secured the lives of over 1.2 million customers since the inception of the partnerships.

In General Insurance, the Bank has a tie up with TATA AIG General Insurance Co. Ltd. (American International Group) and for Health Insurance with Apollo Munich Health Insurance Co. Ltd. Mutual Fund & Insurance Distribution contributed 19% of total retail bank fee income in FY 2018-19.

### Strengthening the Traditional Digital Channels of Mobile & Internet Banking and Pioneering the New Age of Conversational Banking

The focus of the Bank has been on simplifying the journeys and offerings for its customers. The customers today desire instant gratification and seek to complete tasks across the plethora of channels that the Bank offers. Fully cognizant of this, Axis Bank has aggressively adopted the use of customer journey mapping and design thinking to help prioritize and deliver Omni-channel experiences across physical and digital assets.

In line with what customers sought, the Bank continued to add more features to its Mobile Banking and Internet Banking application, during the year. Some of the features include

- Pre-approved customers can get a credit card in a fully digitised process
- Pre-approved customers can get personal loans disbursed instantly into their account
- App is now enabled with face and touch ID for iOS mobile devices and has also integrated Axis Bank's virtual assistant, Axis Aha!
- The dashboard for Internet Banking was revamped reducing the time taken for users to login by almost 20%
- The Bank launched a new and revamped FD/RD journey that has resulted in reducing the time taken to book FD/RD by 12%.
- The Bank also launched its online investing platform, "Personal Finance Manager" (PFM), which helps customers invest in mutual funds in a quick and easy way. Customers can simply set their risk profile basis a few simple questions on the portal and choose funds through performance and risk ratings filters. Further the customers get a complete view of their investments.

These initiatives have yielded rich results. Axis Bank won the "Best Use of Digital & Channels Technology" at the IBA banking Technology Awards' 2018 and has also been awarded as the "Best Digital Bank" by Financial Express.

### Mobile Banking

This year, Axis Mobile achieved the milestone of crossing a user base of 10 million registered users and has been ranked number 3 by mobile banking transactions volumes in December' 2019 as per data published by the RBI. Axis Mobile continues to trend upwards in terms of ranking with its global ranking improving from 32 to 14 (Source: 2018 Global Forrester Rankings). The app ratings on the Play Store and the App Store have also improved from 4.3 and 4.2 respectively in April 2018 to 4.6 in February 2019 on both the stores; making Axis Mobile as one of the highest rated banking apps.

Significant changes were made in Axis Aha! – Axis Bank's AI enabled conversational virtual assistant. Axis Aha!, which helps customers do their banking transactions and get answers to all their banking queries is available on the website (axisbank.com), Axis Bank support page and was introduced on the Mobile App too. Customers can simply chat in their daily conversational lingo or use their voice to enquire about the Bank's products, get their queries or complaints resolved, transfer funds, pay their bills or block their cards.

Axis Aha! has so far handled over 9.4 million interactions, conducted over 7,000 transactions and resolved 2,000 service requests. With Axis Aha!, customers can get their queries resolved in the shortest time. Axis Aha! has been awarded the prestigious IDC Digital Transformation Award for its innovativeness and utility.

#### **Automation at various customer touch points**

Empowering and enabling customers has been one of the ways the Bank aims to foster better relationships with customers. The Bank had a network of 11,801 ATMs and 4,917 cash recyclers as at end of March 2019. The Bank was the first in the industry to introduce cash recyclers. These handle 66% of cash deposits at branches now, freeing up the Bank staff to efficiently serve the other needs of the customers.

The Bank is increasing the digital footprint through various Self Service Kiosks for Speed Banking - a flagship initiative, Cheque Deposits and Passbook Printing. Walk in customers can do various financial and non-financial transactions on these kiosks. The Bank has added 190 passbook printing kiosks and 151 cheque deposit kiosks in fiscal 2018-19 and intends to keep increasing the digital footprint further.

Saksham, a pioneering initiative has expanded to all branches of the Bank. It's a unified platform for instant processing of service requests and financial transactions. With a 360 degree view of customer details across relationships, it is a unique tool for better customer engagement. It is also aimed at a 'service-to-sales' initiative with pre-approved product offerings at the servicing window. Saksham currently processes over 78 million transactions and 1.1 million service requests in straight through mode, annually.

The Bank has continued to reinforce its digital presence via mobility solutions. The deployment of 25,000+ on-field tablets has helped transform customer on-boarding experience across CASA, Credit cards & Micro-financing by reducing turnaround times & offering paperless solutions. The Bank's digital solution suite also includes Insta Servicing platform which offers paperless self-servicing options to customers. Presently 30 different types of servicing requests can be processed through this platform.

#### **Wholesale Banking**

The financial year 2018-19 has been a year of consolidation for the corporate segment with modest growth. The asset quality issues which have been affecting the banking sector in the last few years finally appeared to be coming under control with majority of the bad loans getting recognised and provided for. The year witnessed the resolution of a few large stressed accounts referred to NCLT under Insolvency and Bankruptcy Code resulting in better recovery for banks.

The credit offtake for the corporate segment improved marginally during financial year 2018-19 compared to previous fiscal. Notwithstanding the transient effects associated with the implementation of the Goods and Services Tax (GST) regime in the initial part of the year, the credit growth to industry had improved to about 14% by 2019 vis a vis 11% growth in March 2018. Credit growth has been witnessed in Infrastructure, Engineering, Chemicals, Oil and Gas segments while Basic Metal and Metal products, Textiles and Gems & Jewellery segments continued to reflect sluggish demand scenario. Services sector continues to reflect high growth.

The Bank is creating an integrated franchise by re-organising its existing coverage groups. The Bank has revamped its risk appetite and internal processes to ensure new lending business is of much healthier quality. The Bank's strategic focus in recent years has been towards building a higher rated lending book, increase the share of working capital loans and reducing the concentration risk.

The Corporate lending business in Axis Bank continued to emphasise doing business with higher rated corporates focussing on having higher share of the cash flows of these corporates through working capital facilities and Cash Management Services arrangements. The Bank also participated in some of the NCLT related resolution cases funding marquee groups and high rated corporates.

Approximately 95% of new sanctions in the corporate book were to companies rated 'A-' or better. Presently, 82% of outstanding standard corporate book is to companies rated 'A' and above. During the year, the share of working capital exposures to overall corporate loan book increased from 32% in 2018 to 34% in 2019.

Further Portfolio diversification through a sectoral approach to credit has helped the Bank to continue reducing the concentration risk. Concentration risk has seen a steady decline in the last few years with exposure to top 20 single borrowers as percentage of Tier-1 capital improving to 112% as on 31.03.2019 vis a vis at 121% as on end March 2018.

During the fiscal 2019, the Bank's corporate loan growth was 5% with working capital loans growing by 11% YOY. The Bank's domestic corporate loan book growth was strong with a YoY growth of 17%. The Bank continued to implement its strategy of de-growing the overseas loan book aligned to the focus shift of top business houses to tap opportunities in the domestic market.

The Wholesale Banking business continues to focus on customers such as the Government, Strategic, Large and Mid-Corporates, and SMEs. The Bank started new relationships as well as deepened relationships with many Navratnas and Maharatnas Public Sector Undertakings (PSUs) during the year as PSUs continue to remain focused client group for the Bank.

The Bank along with its subsidiaries addresses most of financial services requirements of a corporate be it borrowing, trade finance, cash management, remittances, investment banking, security services etc. The holistic approach has moved the Bank away from a sales based approach of offering corporate credit to providing an entire bouquet of products and services.

### **Treasury**

The Bank's Treasury function comprises Asset Liability Management (ALM), Proprietary trading business in Interest rates & Equity, Foreign Exchange & Derivatives and Arrangership business.

The ALM group manages the regulatory requirements of Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR). The group also manages the liquidity, interest rate and currency risks in the Bank's portfolio, under the guidance of the Asset Liability Committee (ALCO) of the Bank. ALM group is responsible for overall liquidity management of the domestic book and longer term liquidity management of the overseas branches across geographies.

The proprietary trading group deals in Government securities within Treasury, and plays an important role of market making, participating in primary auctions of RBI etc. The Bank also holds one of the largest Corporate bond investment portfolio with 98% of them rated 'A' and above, and also trades in money market instruments and Equity.

Forex Trading Group is a major participant in the Foreign Exchange and Derivatives market. It undertakes proprietary trading and market making in forex and derivatives products. It provides complete risk management and hedging solutions to retail and corporate customers and services institutional clients.

The Bank continues to remain a dominant player in the Debt Capital Market (DCM) segment. During the calendar year 2018, the Bank arranged bonds and debentures of ₹80,770 crore with a market share of 20% and ₹52,041 crore for March quarter end of calendar year 2019 with a market share of 32%. The Bank has been ranked number one in the Bloomberg league table for domestic bonds in India for the 12<sup>th</sup> consecutive year for calendar year 2018.

During the year, the Bank was awarded Best DCM House in India by Finance Asia. The Bank was also ranked number one arranger – 'Investors' Choice for primary issues - Corporate bonds – INR' by The Asset Benchmark Research.

### **Transaction Banking**

The Transaction Banking unit focuses on flow businesses, i.e. current accounts, collection & payments solutions, trade services, forex remittances and capital market solutions. It caters to corporates, SMEs, sole proprietors, financial institutions & government segment.

The key financial deliverables of the business are current account float balances and fee income. Current account balances de-grew from ₹95,650 crore as on 31 March, 2018 to ₹89,265 crore as on 31 March, 2019, a year on year decline of 7%. Daily average balances in current accounts grew 6%, from ₹60,154 crore in fiscal 2018 to ₹64,006 crore in fiscal 2019. The business generated a fee income of ₹1,936 crore in fiscal 2019, a growth of 10% year on year.

The key themes that the business has been focusing on are deepening share of wallet for existing clients, offering digital solutions as well as various collection & payment solutions to customers and enhancing customer service. The Relationship Managers and branches are continuously equipped with analytical tools and learning interventions to help cross-sell the large suite of transaction banking products of the Bank to customers.

### **Current Accounts**

The Bank has over 1.8 million current accounts and caters to the customers various requirements through a plethora of customized offerings. The Bank has made significant strides in embracing digital platforms and alternate channel migration. Further, the Bank continues to remain focussed on deepening the current account relationship by offering the right cross-sell products as per customers need across cash management solutions, tax payments, loans, trade & forex products.



### Cash Management Solutions

The Bank provides comprehensive and customizable cash management solutions that enable faster fund movement by leveraging the Bank's extensive branch network backed by state-of-the-art technological systems. To provide a seamless experience to its customers, the Bank has integrated all its digital products onto its new Corporate Internet Banking platform. The Bank also provides digital bulk payment solutions that include front-end file-upload for various payments and ERP integration for corporates that engage in high number of transactions. While the Bank continues to drive strong collections business from its branch network, the Bank has launched new digital receivables management products focused on corporates and SME, enhancing the customer experience through modern standards of digital banking on web and mobile interfaces. The Bank has also enabled the facility of 24x7 access to end-customers towards National Automated Clearing House (NACH) mandate registration for regular collections with enhanced security via NetBanking authentication.

FasTag Project has been initiated by NHAI in partnership with major banks with an objective of digitizing toll payments in the country. Axis Bank is one of the major banks in this business.

### Government Business

The Bank has been authorised by Reserve Bank of India and Government of India (GOI) to handle all Government Banking transactions which includes the following:

- Collection of Direct taxes
- Collection of GST in all branches in online as well as offline mode
- Disbursement of Central Civil as well as Defence Pensions
- Accredited by Reserve Bank of India as one of the authorized bankers for the Ministry Of Urban Development, Ministry of Housing and Poverty Alleviation, Controller General of Accounts and Institute of Government accounts and finance

The Bank is a participating entity in the Government's Public Financial Management System (PFMS). 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. The Bank is also associated with the e-Governance initiatives of five states and union territories, namely Andhra Pradesh (e-Seva), Karnataka (Bangalore One and Karnataka One), Chandigarh UT (Sampark), Chhattisgarh (Chhatisgarh Online information system for Citizen Empowerment) and Uttar Pradesh (e-Suvidha), aimed at providing better services to the citizens. Further, the Bank is also involved in various digital initiatives of GOI which includes e-Procurement, e-mandi, e-nagarpalika, direct benefit transfers, smart city, online payment gateways and cashless initiatives through various modes.

Axis Bank is among the leading banks in the country in digital banking and driving partnership-driven innovation in the space, actively contributing to India's key developmental initiatives such as Smart Cities Mission, Digital India, Government e-Marketplace and Electronic National Agriculture Market (eNAM). It also continues to work on diverse digital mandates with multiple state governments to scale up e-governance and expand e-citizen services. During the year, the Bank launched the "One Raipur" smart card and its associated digital ecosystem under the Raipur Smart City project. Its digital banking partnerships with the Kochi Metro and Bangalore Metropolitan Transport Corporation continued to expand during the year.

### Trade, Forex and risk management Services

The Bank offers a complete suite of Trade finance and foreign exchange business solutions through Forex "B" category branches spread across the country. The Bank also offers a variety of hedging solutions such as exchange and interest rate derivative structures, including forwards, options and swaps in accordance with the regulatory guidelines and derivative policy of the Bank. In addition to the services offered through the branch and subsidiary network spread across India, the Bank also leverages its tie-ups with reputed correspondent banks across the world to offer these services to overseas customers.

Axis is one of the few private sector banks that has been on-boarded as advisory bank in Government e-Marketplace (GeM). This tie-up enables the Bank to offer automated solutions for advising electronic performance guarantees (e-PBG) to Government departments /organisations /PSUs with value added features like integrated responses and faster turnaround time.

### **Custodial and Capital Market Services**

The major activities undertaken by the Capital Market Division are fund based and non-fund based credit facilities, clearing bank activities, Professional Clearing Member Services (PCM), NSCCL custodian services, fund accounting services, IPOs, dividend distribution & escrow services.

The Bank acts as a clearing bank and professional clearing member across exchanges in India providing clearing member services and funds clearing solutions to exchange members. The Bank is also a SEBI registered custodian of securities, servicing various segments of clients viz. Foreign Portfolio Investors, Foreign Direct Investors, Portfolio Management Service Providers, and Foreign Venture Capital Investors etc. Assets under custody services as at end of fiscal 2019 stood at ₹61,303 crore, up from ₹58,224 crore in fiscal 2018.

### **Lending to Small and Medium Enterprises**

SMEs are the backbone of our economy, play a pivotal role in employment generation and contribute significantly to overall economic activity. As per MSME Annual Report 2017-18 issued by Ministry of MSME GOI, there are an estimated 63.3 million MSME units across the Country creating 111 million jobs. With the Indian economy emerging as one of the leading economies of the World, major impetus is being given to strengthen the SME sector.

The Bank is committed towards providing timely, adequate and hassle free business solutions to SME Sector. The Bank has created a bouquet of lending products offering Working Capital, Term Loan, Trade Finance, Project Finance and Bill / Invoice Discounting etc to meet the dynamic credit needs of MSMEs across the Country. The Bank has a strong network across the country offering best in class service through 78 dedicated SME Centres and more than 3,900 Branches.

The Bank has created a dedicated SME business unit to have a focussed approach towards the SME Sector, comprising of three business verticals namely Medium Enterprises Group (MEG), Small Enterprises Group (SEG) and Supply Chain Finance (SCF). The SME Business in the Bank continues to focus towards lending to the Priority sector (PSL) and is a significant contributor to the Bank's overall PSL portfolio. During the fiscal, the Bank's SME advances grew at 12% to ₹65,584 crore from ₹58,740 crore last year. The SME portfolio of the Bank constituted 13% of the Bank's total advances as on 31 March, 2019.

The Bank sees immense potential for growth in the SME sector across the country. The Bank has been taking several initiatives to support the growth and development of MSME sector. The Bank organises "Evolve" series - an educational initiative for SMEs every year. The series is now regarded as a signature initiative of Axis Bank in building SME capacity. The 5<sup>th</sup> edition of Evolve was organised this year around the concept "Unlocking Growth through Innovation" in 31 cities across the Country where more than 3,200 SMEs participated.

To recognize the efforts and contributions of SMEs, Axis Bank has joined hands with the India SME Forum to felicitate successful SMEs through INDIA SME 100 Awards, which is considered as one of the most prestigious awards in the SME fraternity. With this association, the Bank hopes to inspire able SMEs that have the potential to be world class enterprises and offer a platform to promote to their partners, investors and collaborators and ensure long term sustainable growth.

There has been a lot of focus to encourage the SME sector to go digital. With strong processes and robust IT support, Axis Bank is well poised to drive this digital transformation and create an enabling environment for our esteemed customers.

Asset quality in the SME segment has remained stable with strong focus on sourcing high rated customers. The Bank also has effective monitoring and Early Warning Systems in place which help to take corrective action when necessary.

### **Business Intelligence Unit**

The Bank has invested in a centralized Business Intelligence Unit that provides analytical services to various functions of the Bank. The BIU team monetizes data assets of the Bank for risk management, growth, and operational optimization. Over the years, the Bank has invested in 3 key pillars – adoption of analytics culture; robust data assets and technology; and right people and skill mix, to build a world class Analytics team. There are 300+ members in the dedicated analytics team, who are young, techno-functional and continuously evolving their skillsets.

BIU continues to focus in Artificial Intelligence (AI) & Machine Learning (ML) along with traditional analytics in decision making of different businesses across Retail and Wholesale Bank. BIU team has many use cases live on its newly created Big Data Lake

infrastructure, which allows the Bank to implement customer centric real time analytical solutions. The Big Data Lake platform will become the mainstream analytics engine for the Bank in the next 18-24 months providing significant advantages over current analytics infrastructure.

The Bank has multiple customer centric AI solutions like “simplified transaction narrations” live on the Axis Mobile Banking platform. Computer vision algorithms are helping the Bank to solve critical use cases in the fields of Human Resource and Operational Risk management like ATM Skimming. The BIU’s ML algorithms are providing incremental ability to predict customer affluence and product needs over traditional models and are currently in different phases of deployment.

The Bank is expecting its first analytical cloud application for decision making, to go live soon after requisite Information Security testing. At Axis Bank, we expect our investments in the areas of AI, ML, Cloud and Big Data to start providing meaningful competitive advantage in the coming years.

### **Risk Management**

The risk management objective of the Bank is to balance the trade-off between risk and return, and ensure that the Bank operates within the Board approved risk appetite statement. An independent risk management function ensures that the risk is managed through a risk management architecture as well as through policies and processes approved by the Board of Directors encompassing independent identification, measurement and management of risks across the various businesses of the Bank. The risk management function in the Bank strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks. The Bank continues to focus on refining and improving its risk measurement systems including automation of processes, not only to ensure compliance with regulatory requirements, but also to ensure better risk-adjusted return and optimal capital utilisation. The Board reviews the risk profile of the Bank at periodic intervals and ensures that risk levels are within the defined risk appetite.

The overall risk appetite and philosophy of the Bank is defined by its Board of Directors. The Risk Appetite framework provides guidance to the management on the desired level of risk for various types of risks in the long term and helps steer critical portfolio decisions. Further, the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank assesses all the significant risks associated with various businesses. The independent risk management structure within the Bank is responsible for managing the credit risk, market risk, liquidity risk, operational risk, other Pillar II risks like reputational risk and strategic risk and exercising oversight on risks associated with subsidiaries. The risk management processes are guided by well-defined policies appropriate for the various risk categories viz. credit risk, market risk, operational risk, liquidity risk, counterparty risk, country risk, reputational risk, strategic risk and subsidiaries risk, supplemented by periodic validations of the methods used and monitoring through the sub-committees of the Board. The Risk Management Committee (RMC), a committee constituted by the Board, approves policies related to risk and reviews various aspects of risk arising from the businesses undertaken by the Bank. The Committee of Directors (COD) and the Audit Committee of the Board (ACB) supervise certain functions and operations of the Bank, which ultimately enhances the risk and control governance framework within the Bank. Various senior management credit and investment committees, Credit Risk Management Committee (CRMC), Asset-Liability Committee (ALCO), Operational Risk Management Committee (ORMC), Subsidiaries Governance Committee (SGC), Information Security Committee (ISSC), Central Outsourcing Committee (COC) and Business Continuity Planning Management Committee (BCPMC) operate within the broad policy framework of the Bank.

### **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 maintain asset quality and concentrations at individual exposures as well as at the portfolio level.

Internal rating forms the core of the risk management process for wholesale lending businesses with internal ratings determining the acceptability of risk, maximum exposure ceiling, sanctioning authority, pricing decisions and review frequency. For the retail portfolio including small businesses and small agriculture borrowers, the Bank uses different product-specific scorecards. Large, risky or complex exposures require to be independently vetted by the risk department for each incremental transaction whereas small, templated exposures are extended within the approved product policies. Both credit and market risk expertise are combined to manage risks arising out of traded credit products such as bonds and market related off-balance sheet transactions.

Credit models used for risk estimation are assessed for their discriminatory power, calibration accuracy and stability independently by a validation committee.

During the year the Bank has brought greater alignment in bank level risk appetite and the operational limits. The key risk metrics are monitored regularly and deviations are discussed with business to decide on the course of remedial action. Overall credit governance structure and processes have been strengthened to ensure credit quality on an ongoing basis.

### 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 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 market risk limits and comparable benchmarks which provide guidance to the business in optimizing the risk-adjusted rate of return of the Bank's trading and investment portfolio.

Market risk management is guided by clearly laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Bank. Treasury Mid-Office independently monitors the Bank's investment and trading portfolio in terms of risk limits stipulated in the Market Risk Management Policy and board approved Market Risk appetite and reports deviations, if any, to the appropriate authorities as laid down in the policy. The Bank utilises both statistical as well as non-statistical measures for the market risk management of its trading and investment portfolios. The statistical measures include Value at Risk (VaR), stress tests, back tests and scenario analysis while position limits, marked-to-market (MTM), stop-loss limits, trigger limits, gaps and sensitivities (duration, PVBP, option greeks) are used as non-statistical measures of market risk management.

Historical data calculated at a 99% confidence level for a one-day holding period over a simulation and its variants are used to compute VaR for the trading portfolio time horizon of 250 days. VaR models for different portfolios are back-tested on an ongoing basis and the results are used to maintain and improve the efficacy of the model. VaR measurements are supplemented with a series of stress tests and sensitivity analyses as per a well laid out stress testing framework.

### Liquidity Risk

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at a reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition. The Asset Liability Management (ALM) Policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress from bank-level factors, market-wide factors or a combination of both. The ALM policy captures the liquidity risk appetite of the Bank and related governance structures as defined in the Risk Appetite Statement.

The liquidity profile of the Bank is monitored for both domestic as well as overseas operations 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 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 are reviewed by the Bank's ALCO and the Risk Management Committee of the Board.

The Bank has integrated into the asset liability management framework the liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards. These include the intraday liquidity management and the Liquidity Coverage Ratio (LCR). The Bank maintains the regulatory mandated LCR as per the transitional arrangement laid down by RBI and also ensures adherence to RBI guidelines on monitoring and management of liquidity including liquidity ratios.

### 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 a 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.

All new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team. The overall responsibility of new products is vested with the Risk Department through the Bank's Product Management Committee and Change Management Committee. Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after due recommendations from the Operational Risk team. The IT Security Committee of the Bank provides directions for mitigating operational risk in the information systems. The Bank has set up a comprehensive Operational Risk Measurement System (ORMS) for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all business lines. Over the year, the Bank has focused on strengthening the operational and information security risk frameworks by implementing several initiatives.

The Business Continuity Planning Management Committee (BCPMC) exercises oversight on the implementation of the approved Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical internal activities to ensure readiness to meet various contingency scenarios. The learning from the BCP exercises are used as inputs to further refine the framework.

### **Subsidiary Governance**

The oversight of Subsidiaries is an essential element for the implementation of robust corporate governance across group entities and is an integral feature of a well-managed business, capable of creating value through enhanced reputation and investor confidence. Towards this objective, the Bank has implemented an integrated subsidiaries governance framework through the Subsidiaries Governance Committee to align governance practices at Axis Group level which is overseen by the Board and Board level committees. The governance framework encompasses group level alignment of key functions such as risk, compliance, audit, human resources, corporate communication, marketing and finance frameworks to achieve group synergy and optimally leverage business opportunities. The framework is supplemented by a set of policies including inter alia, Policy for Oversight of Subsidiaries, Arm's Length Policy, Subsidiary Risk Management Policy etc. for operationalization of the governance framework.

### **Information Technology and Cyber Security**

The Bank has undertaken various technology enabled business initiatives to empower the Bank's journey towards driving sustainable growth and improving customer experience. During the year, a large scale IT transformation was undertaken augmenting our infrastructure to further build capabilities. The Bank upgraded its core systems for better scalability, stability and enhanced security.

In its effort to provide paperless customer onboarding using digital platforms, Bank had last year launched 'ASAP', an online account opening channel, where customers can open an account with their Aadhaar and PAN and get an account number within 3 minutes. Additionally, pre-approved customers can now apply for 'ICC', a virtual credit card which is issued instantaneously. The Bank's award winning Mobile Application has been further enhanced with the introduction of 'Axis AHA!', an Artificial Intelligence & Machine Learning powered conversational banking assistant on Axis Mobile (and website) allowing users to perform various financial and non-financial transactions.

Delivering on its digital-first vision, the Bank has partnered with the Government to implement 'SMART City', facilitating digital transactions by citizens, Government bodies and utility companies. With the launch of Smart City prepaid card, multi-lingual web portal and mobile application; its users will be able to make cashless payments of several services within the city and also consume city centric information.

With a view to drive innovations and customer delight, the Bank utilises an Artificial Intelligence engine to simplify transaction narrations in digital channels for better customer experience and understanding. Bank has also successfully used Artificial Intelligence and Machine Learning in various back office operations, greatly reducing manual intervention and improving both employee productivity and processing time. To leverage on analytics, fuelled by existing customer behaviour, providing precise predictive systems; Bank is building Data Lake infrastructure for discovery, analytics and Business Intelligence.

In order to drive seamless integration with partners, Bank's Open API (Application programming interface) and UPI (Unified Payments Interface) platform has been further enhanced to on-board merchants like Amazon Pay, Google Pay, Uber, Samsung Pay, etc. generating more business and driving volumes.

To improve Branch network and address infrastructure limitations in remote geographies, Bank has now empanelled all national level large reach providers and local broadband providers for improving the overall branch network uptime and efficiency.

The Bank has adopted a holistic cyber security program with a comprehensive Cyber Security Policy (CSP) and standards based on industry best practices with compliance to regulatory guidelines. The Bank has created its cyber security design and framework based on National Institute of Standards and Technology (NIST) standard. The Bank's cyber security framework is built around five fundamental areas including Identify, Protect, Detect, Respond and Recover. Bank is compliant to ISO27001 standard and PCI DSS standard. The Bank has a 24 X 7 Security Operations Centre and Cyber Security Operations System. Bank has augmented its cyber security capabilities during current year by deploying:

- Website Anti-Phishing monitoring solution,
- Email Anti-Spamming and Anti-Phishing solution,
- Dark Web deep insight monitoring capabilities and
- Adopting Cloud Security Framework.

### **Compliance**

The Compliance function is one of the key elements in the Bank's corporate governance structure. It ensures strict observance of all statutory provisions in various legislations such as Banking Regulation Act, Foreign Exchange Management Act, Prevention of Money Laundering Act, Reserve Bank of India Act, etc. as well as the regulatory guidelines issued from time to time, the standards and codes prescribed by BCSBI, FEDAI, FIMMDA, etc. and also the Bank's internal policies and fair practice code. The Compliance function assists the Board and Top Management in managing the compliance risk, that is, the risk of legal or regulatory sanctions, financial loss or reputational loss that the Bank may suffer as a result of its failure to comply with the applicable laws, regulations or code of conduct applicable to banking activities.

The Bank is committed to adhere to the highest standards of compliance vis-à-vis regulatory prescriptions and internal guidelines. The Bank has a robust Compliance Policy, outlining the compliance philosophy of the Bank and roles & responsibilities of the Compliance Department. The Compliance function plays a crucial role in ensuring that the overall business of the Bank is conducted in accordance with regulatory prescriptions. The Compliance function aims to improve compliance culture within the Bank through various enablers like dissemination of regulatory changes, percolation of compliance knowledge through training, newsletters, e-learning initiatives and other means of communication apart from direct interaction. To ensure that all the businesses of the Bank are operating within the ambit of Compliance Framework, the Compliance Department is involved in vetting all new products and processes. It evaluates the adequacy of internal controls and examines any systemic correction required, based on its analysis and interpretation of the regulatory doctrine and the deviations observed during compliance monitoring and testing. It also ensures that internal policies address the regulatory requirements comprehensively. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory guidelines on a periodic basis.

As the focal point of contact with RBI and other regulatory entities, the Compliance Department periodically apprises both the Bank's management as well as the Board of Directors on the status of compliance in the Bank and the changes in regulatory environment. The Bank has put in place an Enterprise-wide Governance Risk and Compliance Framework, an online tool, which is pivotal in addressing operational, compliance and financial reporting risk, bringing efficiency in processes and improvement in compliance levels besides facilitating annual assessment of these risks. The Compliance Department also propagates and monitors a Group Compliance approach encompassing the Bank and its subsidiaries

### **Internal Audit**

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and support functions are in compliance with both internal and regulatory guidelines. In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a robust internal audit

policy. The RBIA has been designed after 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 articulates the audit strategy in terms of a concerted focus on strategic and emerging business risks. These inputs form 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 alignment with guidelines relating to RBIA. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, external compliances and also evaluating the risk residing at the audit entities. Further to augment the internal audit function, concurrent audit and thematic audit reviews have been integrated into the internal audit process in order to make the function more robust.

The Internal Audit function of the Bank, operates independently under the supervision of the Audit Committee of the Board, thereby ensuring its independence. The Audit Committee of the Board reviews the efficacy of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal and also regulatory guidelines.

### **Corporate Social Responsibility (CSR)**

As one of India's largest private sector banks, Axis Bank's CSR and sustainability strategy has been to move forward in a manner that catalyses positive economic, social and environmental value creation for its stakeholders while ensuring sustainable profitability and growth for the organization. The Bank believes this can be achieved when its business is integrated with the success of its customers, progress of the communities it serves in, well-being of its employees and protection of its environment.

Through its business and non-business activities, the Bank endeavours to play its role in promoting economic development that is equitable and sustainable, and touches myriad sections of society through its products & services, business operations, corporate social responsibility and sustainability initiatives. As a leading financial institution, Axis Bank strives to facilitate financial flows to critical parts of the Indian economy with a strong socio-economic and environmental impact.

In alignment with the global sustainable development agenda, underscored by the UN Sustainable Development Goals and the Paris Agreement on climate change, Axis Bank has strived to enhance its 'sustainable financing' portfolio, lending to sectors such as renewable energy generation, mass rapid transport, and low carbon infrastructure development. In addition, through its Debt Capital Markets business, Axis Bank has helped marquee clients raise funds from global capital markets towards green financing.

To better manage the environmental and social risks related to its lending decisions and portfolio, Axis Bank adopted Sustainable Lending Policy and Procedures (SLPP), which works in tandem with its Corporate Credit Policy and applies to all new funding projects, subject to certain threshold criteria. SLPP draws from international frameworks including the Equator Principles and IFC Performance Standards.

In July 2018, the State of Kerala faced widespread flooding and large scale destruction of life and property due to heavy rainfall. Notwithstanding the massive relief operations, there were still families stranded at difficult to reach locations. Axis Sahyog, the Bank's microfinance unit, under the Rural Lending team, which has 32 operating branches in the state, launched project 'Axis Sahaayata' for providing immediate disaster relief to those unable to access government relief's operation.

In the first phase of the initiative, the Bank provided direct relief to 425 flood-affected families in Kottayam, Alappuzha, Palai and Vaikom areas, providing need-based relief items with Bank's employees supporting relief agencies in evacuation of people. During August 2018, when floods hit the state again, the entire microfinance team in the field supported evacuation and extending relief works to approximately 2,220 families, including providing school bags to children from five government schools.

During the year, Axis Bank released its first standalone sustainability report, its fourth overall, in accordance with the Integrated Reporting (IR) framework of the International Integrated Reporting Council. The Report continues to follow the reporting framework of the Global Reporting Initiative and is externally assured. The IR framework recognizes that organizational value is created throughout an organisation, and by adopting an Integrated Thinking, it is in a position to effectively connect its strategy, governance and performance. This Integrated approach groups the organization's inputs, activities and impact into six capitals – Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural – which together provide a more holistic insight into the value it creates.

As a responsible corporate citizen, Axis Bank makes a conscious effort to reduce the environmental footprint of its business operations and activities. Through diverse initiatives spanning product and process digitization, process improvement, resource consumption management, energy conservation, renewable energy adoption and waste management, the Bank is working towards lowering carbon emissions from its operations while at the same time becoming a leaner and more responsive organization. The Bank has invested in installing rooftop solar panels at various locations, wherever feasible, and in remotely managed smart energy systems to improve energy efficiency and avoid carbon emissions from its operations. As on 31<sup>st</sup> March 2019, the Bank had an installed solar power capacity of 7.05 MW spread across 248 locations.

At Axis Bank, its employees form the bedrock of the organization, and the Bank strives to provide them the opportunities to perform, learn and engage. Towards building a more inclusive workspace, Axis Bank launched "Access", a program under which it has hired over 35 candidates with differently abled capabilities in this financial year, and aims to hire over 100 candidates over the next year.

The Bank's CSR activities are guided by its CSR Policy and are driven either directly, through the Axis Bank Foundation (ABF), or through any other entity as deemed suitable by the Bank's CSR Committee of the Board. Its activities focus broadly on poverty alleviation, creating sustainable livelihoods, environmental sustainability, financial inclusion & literacy, and skill development. With over 4,000 branches across 29 states and 6 Union Territories as on 31<sup>st</sup> March 2019, Axis Bank actively tries to leverage its pan-India presence to expand the depth and impact of its programs.

Axis DilSe, the Bank's CSR initiative in the Leh and Kargil districts of the Ladakh region in Jammu & Kashmir, completed its second phase of intervention. The initiative is working in 100 border villages in the two districts, supporting 108 schools to scale up educational and physical infrastructure. Under phase II, the Bank installed 'Digi Labs' in all schools which would enable access to the digitized curriculum both for the students and the teachers. It also facilitates monitoring of the progress of the students through the module tracking system. The initiative is directly covering approximately 5,000 students, and has indirectly touched thousands of parents and teachers.

The Axis Bank Foundation was established in 2006 with a mission to take forward the Bank's community development objectives. Over the years, the Foundation's approach to development has evolved to remain responsive to the needs of marginalized communities with a strong focus on strengthening the role of women in the rural economy. Many of the Foundation's programs are closely aligned with various national rural development initiatives. With its strong network of 29 implementation partners, the Foundation's programs were spread across 151 districts in 23 states /union territories across the country as on 31 March 2019.

An overview of the various CSR initiatives undertaken during the year has been provided in the Annual Report on CSR Activities as part of the Statutory Reports in this Annual Report. Additional information is available on the Bank's corporate website at <https://www.axisbank.com/csr> and on the Foundation's website at <http://www.axisbankfoundation.org/>.

Axis Bank actively pursues a culture of giving and inclusiveness through its employee engagement platform - Axis Cares. The platform enables employees to donate to support several causes across the country in multiple ways. Employees can donate monthly through the payrolls and through one-time donations. Some of the causes that are supported through Axis Cares are Child Needs you, Hand for the Elderly, Wild life and us, Nurture nature, Preserve Heritage and Sports for Everyone. Axis Cares, through employee donations, supports several initiatives in the chosen themes across the country, through select NGOs. Each of the initiatives is purposefully chosen to make a significant difference. Employee not only get an opportunity to recommend causes, but also get the opportunity to volunteer their time and to experience the issues first hand. Axis Cares also enables employees to come together to support communities at the time of disasters by donating cash and in kind, by donating blood for blood banks through camps held frequently at several locations. Employees get to share their experiences in the area of social responsibility through a quarterly newsletter.

During the year, the Bank was recognized awarded at the prestigious CII ITC Sustainability Awards 2018, where it won the "Excellence" certificate in Corporate Social Responsibility category.

It is a matter of significant pride for the Bank to have been included in the prestigious FTSE4Good Emerging Index for the second consecutive year in 2018. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure



the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices, and is widely used by a variety of market participants to create and assess responsible investment funds and other products.

## Human Resources

The Bank's people strategy focuses on enhancing key capabilities and embedding a performance centric culture. With this objective, the Bank has made efforts to attract the right talent and build skills aligned to the Bank's aspirations. The Bank ended financial year with a workforce strength of 61,940 employees. Some key focus areas of the Bank were:

### Engage the best: attract and nurture

A young and engaged workforce with an average age of 30.8 years and the Bank's policy on being an equal opportunity employer continue to significantly contribute towards the Axis Bank brand. This year, the Bank extended the use of data analytics and technology in making smarter hiring decisions. Interview-less skill inventory algorithm based hiring for our frontline sales staff was introduced to identify the best fit for available roles.

Catalyst – the internal careers portal, was launched in the Bank to provide our employees an opportunity to chart their own careers. Catalyst allows employees to seek and apply for roles across departments within the Bank and also across Axis Group subsidiaries through a transparent and fair process, realizing the vision of 'One Axis'.

The Axis Bank Young Bankers and Axis Sales Academy programs continued to ensure that we have a sustainable supply pool of skilled resources to fulfil our aspirations. The Bank continued to actively engage with potential candidates which aided in attracting a large pool of potential candidates. The Bank maintained its focus on intake of candidates from diverse backgrounds through programmes like We Lead – the women in leadership program and ACCESS – the diversity hiring initiative for differently abled individuals.

### Reinforcing meritocracy and building capability

The Bank continues to reward performance and has maintained focus on sharper differentiation for top performers while maintaining fairness and transparency in evaluation. The Bank's promotion process allows for the best performers to be recognized, regardless of their age, gender, background, and tenure.

More than 24,600 employees underwent a 2-day customized training program as part of ACElerate – the Bank's integrated performance management and capability development system. The Bank also offered an Enhancement Program to employees with lower than expected performance as a lever to opt for stretch targets and have a chance at upgrading their performance rating retrospectively.

The Bank encourages its subject matter experts to nurture a culture of learning and sharing which strengthens the learning mindset. Through its various learning interventions, the Bank continues to provide platforms for employees to improve their functional knowledge and behavioural skills. A total of 37,982 employees qualified Axis Competency Profiler, the Bank's online certification platform, which assesses employees on their functional competence and creates a pool of functionally strong employees. Further, training and testing is conducted to cascade bank's Values, code of ethics, and governance.

### Foster alignment to strategy and enhance employee experience

This year, the Bank outlined its execution strategy for the next three years which pivots around the delivery of three important vectors - Growth, Profitability, and Sustainability. My GPS, an internal platform for employees, was launched to crowd-source ideas and recommendations from our employees to strengthen these vectors. Axis Blitz, a bi-annual platform for leaders to engage with employees and drive core values, continued as a part of strategy cascade where senior leaders travelled to locations and engaged with regional leadership teams. Axis Champions Awards, the Bank's annual recognition event, was held to recognize employees who displayed Excellence in Customer Service, Leadership, Citizenship Behaviour, Fraud Prevention, and Innovation.

The Bank ensured that the best-in-class technology is deployed to automate HR processes and enhance employee experience. The Bank continued to leverage its integrated employee survey architecture to hear from employees at various stages of the employee lifecycle.

Through the fulfilment of its HR agenda, the Bank continues to strive towards its goal of standing out as an institution in the industry.

## Subsidiary Performance

The Bank's subsidiaries remain central to the principle of One Axis and our ability to deliver on our strategy formulated around the three vectors - growth, profitability and sustainability. In a short span of time we have established subsidiaries covering a significant gamut of the financial services space. Axis Direct is the 6<sup>th</sup> largest brokerage firm by unique traded customers, Axis Mutual Fund is ranked 9<sup>th</sup> based on average assets under management for the year ended FY19 as compared to 16<sup>th</sup> rank as at the end of FY12. Axis Capital maintains its leadership position in the ECM segment. Axis Finance has grown at a 36% CAGR with high returns. Axis is the only Bank to have 2 fintech companies as its subsidiaries - A.Treds in B2B and Freecharge in B2C space. During fiscal 2019, the Bank's subsidiaries reported growth in revenue of 5%.

Axis Finance Limited, the Bank's fast growing NBFC that caters to the unique financing requirement of retail and wholesale customers, reported 21% YoY growth in total loans with 40% growth in corporate loans. Axis Finance's net profit increased by 8% and contributed 57% to total subsidiaries' earnings.

Axis Capital, the Bank's investment banking and institutional equities franchise has been the leader in equity and equity linked deals over the last decade and had another great year with highest number of transactions (13 transactions across IPO, OFS, QIP, Rights and REIT) and 10% market share. Axis Capital contributed 16% to the total earnings of the subsidiaries.

Axis AMC and Axis Securities continued to contribute towards the Bank's Retail Franchise building strategy and strengthen the bond with its customers. Axis AMC reported 19% YoY growth in average AUM with 44% growth in total number of folios and contributed 14% to total subsidiaries' earnings. Axis Securities, one of the fastest growing brokerage firms in India reported 12% growth in cumulative client base to 2.10 million and contributed 20% to subsidiaries net profits.

During the fiscal, Freecharge, one of the India's leading digital payment companies has a current user base of 72mn, GMV of ₹2,790 crore and 106 mn transactions. The Bank believes that the Freecharge's unique value proposition in the digital payments space and the strength of its acquisition engine would help to build the Axis franchise further and create significant value for the Bank. With Digital Payments as a hook, the Bank intends to leverage the platform for digital distribution of retail products by targeting digitally native mobile first customers. The post-acquisition activities at Freecharge remain on track with total monthly payment volumes up 84% and monthly active users increasing by 33%.

A.TReDs Limited, the Bank's subsidiary that was set up in partnership with m-Junction, was one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs. The Bank's digital invoice discounting platform 'Invoicemart' for MSMEs has done exceptionally well with market share of nearly 40% among all TReDS platforms. It currently has 2,061 participants on the platform and has clocked ₹2,712 crore in financed throughput by e-discounting nearly 1,83,088 invoices.

## SAFE HARBOR

Except for the historical information contained herein, statements in this Annual Report which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****To The Members of Axis Bank Limited**

1. This Certificate is issued in accordance with the terms of our engagement letter dated June 28, 2018.
2. We have examined the compliance of conditions of Corporate Governance by Axis Bank Limited ('the Bank'), for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**Management's Responsibility**

3. The Management is responsible for ensuring that the Bank complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
5. We have examined the books of account and other relevant records and documents maintained by the Bank for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

**Opinion**

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

**Restriction on Use**

10. The certificate is addressed and provided to the members of the Bank solely for the purpose to enable the Bank to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

**For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

**Purushottam Nyati**

Partner  
Membership No. 118970  
UDIN 19118970AAAAABF1047  
Place: Mumbai  
Date: May 22, 2019

# Corporate Governance

(Part of the Directors' Report for the year ended 31<sup>st</sup> March 2019)

## (1) PHILOSOPHY ON CODE OF GOVERNANCE

Your Bank's policy on Corporate Governance has been:

- I. To enhance the long-term interest of its shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as depositors, creditors, customers, suppliers and employees.
- II. To institutionalize accountability, transparency and equality of treatment for all its stakeholders, as central tenets of good corporate governance and to articulate this approach in its day-to-day functioning and in dealing with all its stakeholders.

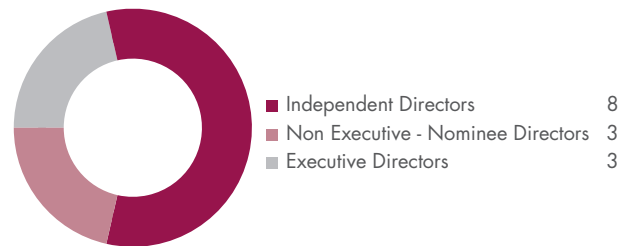
## (2) BOARD OF DIRECTORS

- I. The composition of the Board of Directors (the Board) of the Bank is governed under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Banking Regulation Act, 1949, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the guidelines issued by the Reserve Bank of India (RBI) in this regard and the Articles of Association of the Bank.

The Board of Directors of the Bank has an optimum combination of Independent, Non-Executive and Executive Directors. The Board presently comprises of 14 Directors representing diverse combination of professionalism, knowledge, expertise and experience as relevant for the banking business. The Board has 8 Independent Directors constituting more than one-third of its total strength. The Board comprises of 2 Women Directors including 1 Woman Independent Director. None of the Directors or their relatives are related to each other. The Board has confirmed the veracity of declaration of Independence provided by the Independent Directors and has taken the same on record. In the opinion of the Board, all the Independent Directors fulfil the conditions as specified in the Listing Regulations and are independent of the Management. The Board is led by the Non-Executive (Part-Time) Chairman, who is an Independent Director.

- II. The Board comprises of nominees of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) and Life Insurance Corporation of India (LIC), Promoters of the Bank and BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (being entities affiliated to BAIN Capital, a Global Private Equity firm).

### Composition



The composition of the Board, category of directorship, details of the meetings of the Board attended and sitting fees paid to the Directors for attending Board Meetings, held during the Financial Year 2018-19 and their attendance at the 24<sup>th</sup> Annual General Meeting (AGM) of the Bank, are given below:

Sr. No.	Name of the Director	Category	Board Meetings attended during the year	Sitting fees (in ₹)	Attendance at last AGM (20 <sup>th</sup> June 2018)
1.	Dr. Sanjiv Misra	Independent Director & Non-Executive (Part-Time) Chairman	12/12	12,00,000	Yes
2.	Smt. Shikha Sharma <sup>@1</sup>	Managing Director & CEO	8/9	-	Yes
3.	Shri Amitabh Chaudhry <sup>2</sup>	Managing Director & CEO	3/3	-	NA
4.	Shri Prasad Menon <sup>3</sup>	Independent Non-Executive	7/7	7,00,000	Yes
5.	Prof. Samir K. Barua	Independent Non-Executive	12/12	12,00,000	Yes
6.	Shri Som Mittal <sup>@</sup>	Independent Non-Executive	11/12	11,00,000	Yes
7.	Shri Rohit Bhagat <sup>@</sup>	Independent Non-Executive	9/12	9,00,000	No
8.	Smt. Usha Sangwan <sup>@&amp;</sup>	Nominee Director – Life Insurance Corporation of India (LIC) [Equity Investor] - Promoter	7/12	7,00,000	No
9.	Shri S. Vishvanathan	Independent Non-Executive	12/12	12,00,000	Yes
10.	Shri Rakesh Makhija	Independent Non-Executive	12/12	12,00,000	Yes
11.	Smt. Ketaki Bhagwati <sup>@</sup>	Independent Non-Executive	10/12	10,00,000	Yes
12.	Shri B. Baburao <sup>@&amp;</sup>	Nominee Director – Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) [Equity Investor] – Promoter	10/12	10,00,000	Yes
13.	Shri Stephen Pagliuca <sup>@</sup>	Nominee Director – Entities affiliated to BAIN Capital [Equity Investor]	10/12	10,00,000	No
14.	Shri Girish Paranjpe <sup>4</sup>	Independent Non-Executive	5/5	5,00,000	NA
15.	Shri V. Srinivasan <sup>@5</sup>	Deputy Managing Director	7/9	-	Yes
16.	Shri Rajiv Anand <sup>@</sup>	Executive Director (Wholesale Banking)	10/12	-	Yes
17.	Shri Rajesh Dahiya <sup>@</sup>	Executive Director (Corporate Centre)	11/12	-	Yes

<sup>@</sup> Leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings.

<sup>&</sup> Sitting fees paid upto 30<sup>th</sup> September 2018 to Smt. Usha Sangwan (Nominee Director – LIC) and upto 2<sup>nd</sup> January 2019 to Shri B. Baburao (Nominee Director – SUUTI) for attending the meetings of the Board/Committees have been credited to the designated bank account of LIC and SUUTI, respectively. Further, the sitting fees paid after the said date have been credited to the designated bank account of Smt. Usha Sangwan and Shri B. Baburao, respectively.

1) Ceased to be the Managing Director & CEO of the Bank on expiry of her tenure, w.e.f. the close of business hours on 31<sup>st</sup> December 2018.

2) Appointed as the Managing Director & CEO of the Bank for a period of 3 years, w.e.f. 1<sup>st</sup> January 2019.

3) Ceased to be an Independent Director of the Bank on expiry of his tenure, w.e.f. the close of business hours on 8<sup>th</sup> October 2018.

4) Appointed as an Independent Director of the Bank for a period of 4 years, w.e.f. 2<sup>nd</sup> November 2018.

5) Ceased to be the Deputy Managing Director of the Bank on expiry of his tenure, w.e.f. the close of business hours on 20<sup>th</sup> December 2018.

- III. The Bank recognizes and embraces the importance of a diverse Board and is endowed with appropriate balance of skills, experience and diversity of perspectives thereby ensuring effective board governance. The Board has reviewed and adopted the Policy on Board Diversity, which sets out its approach to ensure Board diversity, so as to enhance its effectiveness while discharging its fiduciary obligations towards the stakeholders of the Bank. The Bank considers diversity in skills, regional and industry experience, expertise and educational background whilst determining the composition of its Board. The Bank also considers the principles relating to fit and proper norms as prescribed by the RBI and confirms

that each Director is also in compliance with the norms as prescribed by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) under applicable laws, whilst determining the composition of its Board.

Section 10A(2) of the Banking Regulation Act, 1949 read with RBI notification no. DBR. Appt. BC. No.38/29.39.001/2016-17 dated 24<sup>th</sup> November 2016, requires that not less than 51% of the total number of members of the Board of Directors of a banking company shall comprise of persons who shall have special knowledge or practical experience, in respect of one or more of the following matters, namely:

• Accountancy	• Economics
• Agriculture and rural economy	• Finance
• Banking	• Small-scale industry
• Co-operation	• Law
• Information technology	• Payment & settlement systems
• Infrastructure sector	• Risk management
• Human resources	• Business management
• Core industries	

It further provides that out of the aforesaid number of Directors, not less than two shall be persons having special knowledge or practical experience, in respect of agriculture and rural economy, co-operation or small scale industry. The Bank is in compliance with the above requirements.

The Bank has identified above skills/expertise/competencies as required to be possessed by its Board, in the context of its businesses and the sectors, for it to function effectively. The details of skills/expertise/competencies available with the Bank and the names of the Directors possessing such skills/expertise/competencies, are detailed as under:

Sr. No.	Name of the Director	Special Knowledge / Practical Experience
1.	Dr. Sanjiv Misra	Economics   Finance   Public Administration   Small Scale Industry   Agriculture and Rural Economy
2.	Shri Amitabh Chaudhry	Finance   Banking   Insurance   Business Management
3.	Prof. Samir K. Barua	Accounting   Finance   Risk Management
4.	Shri Som Mittal	Information Technology   Risk Management
5.	Shri Rohit Bhagat	Finance   Risk Management
6.	Smt. Usha Sangwan	Insurance   Finance   Marketing Operations   Human Resource   Risk Management   Investments   International Operations   Information Technology   Group Business & Corporate Communications
7.	Shri S. Vishvanathan	Banking   Small Scale Industry   Agriculture and Rural Economy   Risk Management   Treasury   Capital Markets
8.	Shri Rakesh Makhija	Industry & Technology   Business Management
9.	Smt. Ketaki Bhagwati	Finance   Risk Management   Business Management
10.	Shri B. Baburao	Finance   Industry & Technology   Investments   Capital Markets   Operations   Business Management
11.	Shri Stephen Pagliuca	Finance   Technology   Media   Telecommunications   Financial Services Business
12.	Shri Girish Paranjpe	Accounting   Information Technology
13.	Shri Rajiv Anand	Finance   Business Management
14.	Shri Rajesh Dahiya	Human Resources   Business Management   Agricultural Input Distribution & Sales   Manufacturing   Exports

IV. The role of the Board is to provide effective guidance and oversight to the Management of the Bank so that it delivers enduring sustainable value, is fully compliant with extant laws, regulations and functions in an ethical and efficient manner. The duties and responsibilities of the Board have been set out in its Charter formulated, in terms of the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations, the Banking

Regulation Act, 1949, the Guidelines issued by the RBI, in this regard, from time to time and the Articles of Association of the Bank. During the year, the Board reviewed and approved the Charter of the Board.

The responsibilities of the Board include inter alia overseeing the functioning of the Bank, monitoring legal, statutory compliance, reviewing the efficacy of internal control systems and processes and management of risk associated with the business of the Bank, on the basis of information provided to it. The Board is also responsible for approving the strategic direction, plans and priorities for the Bank, monitoring corporate performance against strategic business plans, reviewing and approving the Bank's financial and operating results on a periodic basis, overseeing the Bank's Corporate Governance framework and supervising the succession planning process for its Directors and Senior Management.

Accordingly, the Board deliberates on matters such as business strategy, risk, financial results, succession planning, compliance, customer service, information technology and human resources as covered under the seven critical themes prescribed by the RBI and such other matters as deemed appropriate. The Board spends considerable time perusing the information provided to them which facilitates informed decision making and effective participation at its meetings, leading to higher board effectiveness. The Board oversees the actions and results of the Management to ensure that the long term objectives of enhancing shareholders value are met. The Board has the discretion to engage the services of external experts/advisors, as deemed appropriate.

In all, 12 meetings of the Board were held during the Financial Year 2018-19, i.e. on 9<sup>th</sup> April 2018, 26<sup>th</sup> April 2018, 16<sup>th</sup> May 2018, 19<sup>th</sup> June 2018, 9<sup>th</sup> July 2018, 30<sup>th</sup> July 2018, 7<sup>th</sup> September 2018, 2<sup>nd</sup> November 2018, 8<sup>th</sup> December 2018, 29<sup>th</sup> January 2019, 12<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019. The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present for all the meetings of the Board held during the Financial Year 2018-19.

Out of the 12 Board Meetings held during the year, 10 meetings of the Board held on 9<sup>th</sup> April 2018, 26<sup>th</sup> April 2018, 16<sup>th</sup> May 2018, 19<sup>th</sup> June 2018, 9<sup>th</sup> July 2018, 2<sup>nd</sup> November 2018, 8<sup>th</sup> December 2018, 29<sup>th</sup> January 2019, 12<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019, were conducted through video conference.

The Board has accepted all the mandatory recommendations made by the Board Committees at its meetings held during the Financial Year 2018-19.

The details of other Directorships and Memberships / Chairmanships in Board Committees of other Companies, Directorships in other listed entities and the category thereof held by the Directors, as on 31<sup>st</sup> March 2019, are given below:

Designation/Category	Directorship in other listed companies, in India	Number of other Directorships in unlisted companies		Number of Memberships in Board Committees <sup>(ii)</sup>
		of Indian Public Limited Companies	of other companies <sup>(ii)</sup>	
Name of the Director	Name of the Companies & Designation			
<b>Non-Executive (Part-Time) Chairman &amp; Independent Director</b>				
Dr. Sanjiv Misra	Hindustan Unilever Limited (Independent Director)	0	0	1
<b>Nominee Director – SUUTI</b>				
Shri B. Baburao		4	0	2(1)
<b>Nominee Director – LIC</b>				
Smt. Usha Sangwan	BSE Limited (Nominee Director) Grasim Industries Limited (Nominee Director)	0	0	2(1)

Designation/Category	Directorship in other listed companies, in India	Number of other Directorships in unlisted companies		Number of Memberships in Board Committees <sup>(ii)</sup>
Name of the Director	Name of the Companies & Designation	of Indian Public Limited Companies	of other companies <sup>(i)</sup>	
<b>Nominee Director – Entities affiliated to BAIN Capital</b>				
Shri Stephen Pagliuca	0	0	5	0
<b>Independent Directors</b>				
Prof. Samir K. Barua	Torrent Power Limited (Independent Director)	4	2	5(4)
Shri Som Mittal	i) Cyient Limited (Independent Director) ii) Sheela Foam Limited (Independent Director)	1	2	3(2)
Shri Rohit Bhagat	0	0	3	0
Shri S. Vishvanathan	Orient Paper & Industries Limited (Additional Director)	1	0	3
Shri Rakesh Makhija	SKF India Limited (Chairman and Independent Director)	3	0	6(2)
Smt. Ketaki Bhagwati	Bayer Crop Science Limited (Additional Director)	1	0	0
Shri Girish Paranjpe	CRISIL Limited (Independent Director)	1	5	2
<b>Managing Director &amp; CEO/Whole Time Directors</b>				
Shri Amitabh Chaudhry	0	3	0	0
Shri Rajiv Anand, Executive Director – (Wholesale Banking)	0	3	2	0
Shri Rajesh Dahiya, Executive Director – (Corporate Centre)	0	2	0	1

- i. Includes foreign companies, private limited companies, Section 8 Companies.
- ii. Includes only Memberships of the Audit Committee and Stakeholders Relationship Committee in public limited companies. Figures in brackets represent number of Chairmanships of the said Committees, as per the disclosure received from the concerned Director of the Bank.

**Notes:**

- During the Financial Year 2018-19, no Independent Director of the Bank, resigned before the completion of his/her tenure.
- All the Directors of the Bank, are in compliance with the applicable provisions of the Companies Act, 2013 and the relevant Rules made thereunder, the Listing Regulations, the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, relating to maximum number of Directorships and Committee memberships.
- All Directors of the Bank have submitted their annual disclosures / declarations as mandated under the Companies Act, 2013 and the relevant Rules made thereunder, the Listing Regulations, the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.



## Board Meetings

### Schedule of Board meetings

The schedule in respect of the meetings of the Board / Committees thereof to be held during the next Financial Year and for the ensuing Annual General Meeting is circulated in advance to all the Members of the Board.

### Critical themes for review by the Board

The RBI vide its Circular no. DBR No. BC.93/29.67.001/2014-15 dated 14<sup>th</sup> May 2015 had prescribed 'Seven Critical Themes' to be reviewed by the Board namely business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion and human resources. The agenda for Board meetings includes matters forming part of the said critical themes, as stipulated by the RBI.

### Board agenda

The Board agenda is prepared based on inputs received from the concerned departments of the Bank and finalised in consultation with the Chairman of the Board of Directors of the Bank. The Board agenda and notes thereof are sent to the Members of the Board in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification. The Members of the Board are free to recommend inclusion of any matter in the agenda for discussion.

The Minutes of the Board meetings are circulated to the Chairman for his review and approval and thereafter circulated to the other Members of the Board for their comments, in accordance with the Secretarial Standards on meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India (ICSI).

In case of business exigencies or urgency of matters, resolutions are also passed by the Board through circulation. Video conferencing facilities are also used to facilitate participation by Directors who are unable to physically attend the meetings of the Board.

### **Committees of the Board**

The business of the Board is also conducted through the Committees constituted by the Board to deal with specific matters as per delegated powers for different functional areas of the Bank and as mandated under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations, Banking Regulation Act, 1949, Guidelines issued by the RBI, in this regard, from time to time and the Articles of Association of the Bank. As part of the Succession Planning Process of the Bank, the Chairman of Board and that of the Nomination and Remuneration Committee has reviewed the composition of the Committees and recommended induction of Directors as members of Committees for the approval of the Board.

The Board has constituted 12 Committees, viz., Committee of Directors (COD), Audit Committee (ACB), Risk Management Committee (RMC), Stakeholders Relationship Committee (SRC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Special Committee of the Board of Directors for Monitoring of Large Value Frauds (LVF), Customer Service Committee (CSC), IT Strategy Committee (IT), Review Committee (RC), Acquisitions, Divestments and Mergers Committee (ADAM) and Committee of Whole Time Directors (COWTD). During the year, Charter of the said Committees were reviewed by the Board, pursuant to amendments to applicable banking, corporate and securities laws.

The Agenda of the meetings of the Committees is finalised in consultation with the Chairman of the concerned Committees. The Committees ensure that any feedback or observations made by them during the course of the meetings forms part of the Action Taken Report for their review at the subsequent meetings. The Chairman of the Committees briefs the Board on the key decisions taken at its meetings.

In case of business exigencies or urgency of matters, resolutions are also passed by the Committees through circulation. Video conferencing facilities are also used to facilitate participation by Directors who are unable to physically attend the meetings of the Committees.

Further, the Bank in order to facilitate linkages between two Committees has appointed Non-Executive Directors as common members. The Audit Committee of the Board and the Committee of Directors have Shri S. Vishvanathan and Shri B. Baburao as common members. The Risk Management Committee and the Nomination and Remuneration Committee have Shri Rohit Bhagat as a common member. The Audit Committee of the Board and the Special Committee of the Board of Directors for Monitoring of Large Value Frauds have Prof. Samir Barua, Shri Rakesh Makhija and Shri B. Baburao as common members. IT Strategy Committee and Customer Service Committee have Shri Som Mittal and Shri Girish Paranjpe, as common members. The Audit Committee of the Board and the Risk Management Committee have Prof. Samir Barua as a common member. The Committee of Directors and the Risk Management Committee have Smt. Ketaki Bhagwati, as a common member. The Committee of Directors and the Review Committee have Shri S. Vishvanathan and Smt. Ketaki Bhagwati, as common members.

The table showcasing the composition of the Committees of the Bank, is as under:

Name of the Director	Category	RMC	ACB	LVF	IT	CSR	CSC	COD	RC	NRC	ADAM	SRC	COWTD
1. Dr. Sanjiv Misra	Independent Director & Non-Executive (Part-Time) Chairman		-	-	-	-	-	-	-	-	-	-	-
2. Shri Amitabh Chaudhry	Managing Director & CEO		-			-				-		-	
3. Prof Samir K. Barua	Independent Non-Executive				-	-	-	-	-	-	-	-	-
4. Shri Som Mittal	Independent Non-Executive	-	-	-				-	-		-	-	-
5. Shri Rohit Bhagat	Independent Non-Executive		-	-	-	-	-	-	-			-	-
6. Smt. Usha Sangwan	Nominee Director – Life Insurance Corporation of India (LIC)		-		-	-		-	-	-	-	-	-
7. Shri S. Vishvanathan	Independent Non-Executive	-		-	-	-	-			-	-		-
8. Shri Rakesh Makhija	Independent Non-Executive	-			-	-	-	-	-			-	-
9. Smt. Ketaki Bhagwati	Independent Non-Executive		-	-	-	-	-			-		-	-
10. Shri B. Baburao	Nominee Director – Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	-			-	-			-	-	-		-
11. Shri Stephen Pagliuca	Nominee Director – Entities affiliated to BAIN Capital	-	-	-	-	-	-	-	-		-	-	-
12. Shri Girish Paranjpe	Independent Non-Executive	-		-		-		-	-	-	-	-	-
13. Shri Rajiv Anand	Executive Director (Wholesale Banking)		-	-			-		-	-	-	-	
14. Shri Rajesh Dahiya	Executive Director (Corporate Centre)	-	-		-		-	-	-	-	-		

Member Chairman

The brief description of terms of reference of the said Committees, their composition and attendance of the Members at the meetings thereof, are detailed as under:

#### (1) Committee of Directors

The Committee of Directors of the Board of Director of the Bank (Committee of Directors) comprises of 5 members out of which 2 are Independent Directors. The Members are Shri S. Vishvanathan, Independent Director (Chairman), Shri Amitabh Chaudhry, Managing Director & CEO, Smt. Ketaki Bhagwati, Independent Director, Shri B. Baburao, Non-Executive Director and Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank.

The tenure of Shri Prasad Menon as an Independent Director of the Bank had ceased, with effect from the close of business hours on 8<sup>th</sup> October 2018, upon completion of the maximum permissible tenure of 8 continuous years, under Section 10A (2A) of the Banking Regulation Act, 1949. Accordingly, he ceased to be a member of the Committee of Directors, with effect from the said date.

Pursuant to the vacancy caused by the expiry of tenure of Shri Prasad Menon, Shri B. Baburao, Non-Executive Director was inducted as a member of the Committee of Directors, with effect from 20<sup>th</sup> October 2018.

The tenure of Shri V. Srinivasan, Deputy Managing Director of the Bank, had ceased, with effect from the close of business hours on 20<sup>th</sup> December 2018. Accordingly, he ceased to be a member of the Committee of Directors, with effect from the said date.

The tenure of Smt. Shikha Sharma as a Managing Director & CEO of the Bank had ceased, with effect from the close of business hours on 31<sup>st</sup> December 2018. Accordingly, she ceased to be a member of the Committee of Directors, with effect from the said date.

Pursuant to the vacancy caused by the expiry of tenure of Smt. Shikha Sharma, Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was inducted as a member of the Committee of Directors, with effect from 1<sup>st</sup> January 2019.

Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank, was inducted as a member of the Committee of Directors, with effect from 30<sup>th</sup> January 2019.

The brief description of terms of reference of the Committee of Directors, are as under:

- i) To review loans sanctioned by Senior Management Committee (SMC), provide approvals for loans as per the limits stipulated in the Corporate Credit Policy of the Bank, as amended, from time to time, and to discuss strategic issues in relation to credit policy and deliberate on the quality of the credit portfolio of the Bank.
- ii) To monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals, in respect of loan accounts which have been written off.
- iii) To sanction revenue expenditures relating to the Bank's business/operations covering all its departments and business segments, above certain stipulated limits.
- iv) To approve expansion of the location of the Bank's Network of offices, branches, extension counters, Automated Teller Machines, Automated Fare Collection Equipment and Currency chests locally as well as internationally and review the Annual Branch Expansion Plan and Annual Report of the Branches.
- v) To review investment strategy, periodically review investments made and approve investment related proposals above certain limits.
- vi) To review and approve proposals relating to the Bank's business/operations covering all its departments and business segments.

In all, 15 meetings of the Committee of Directors were held during the Financial Year 2018-19 i.e. on 25<sup>th</sup> May 2018, 25<sup>th</sup> June 2018, 1<sup>st</sup> August 2018, 14<sup>th</sup> August 2018, 17<sup>th</sup> August 2018, 5<sup>th</sup> September 2018, 14<sup>th</sup> September 2018, 25<sup>th</sup> September 2018, 1<sup>st</sup> November 2018, 15<sup>th</sup> November 2018, 7<sup>th</sup> December 2018, 17<sup>th</sup> January 2019, 19<sup>th</sup> February 2019, 11<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019.

The details of the meetings of the Committee of Directors attended by the Members during the Financial Year 2018-19, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Shri S. Vishvanathan	15/15	7,50,000
Smt. Shikha Sharma@ (Ceased to be a Member, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	10/11	-
Shri Amitabh Chaudhry (inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	4/4	-
Shri Prasad R. Menon@ (Ceased to be a Member, w.e.f. the close of business hours on 8 <sup>th</sup> October 2018)	4/8	2,00,000
Smt. Ketaki Bhagwati	15/15	7,50,000
Shri B. Baburao (inducted as a Member, w.e.f. 20 <sup>th</sup> October 2018)	7/7	3,50,000
Shri V. Srinivasan@ (Ceased to be a Member, w.e.f. the close of business hours on 20 <sup>th</sup> December 2018)	8/11	-
Shri Rajiv Anand (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	3/3	-

@ Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

The meetings of the said Committee held on 25<sup>th</sup> May 2018, 25<sup>th</sup> June 2018, 1<sup>st</sup> August 2018, 14<sup>th</sup> August 2018, 5<sup>th</sup> September 2018, 14<sup>th</sup> September 2018, 25<sup>th</sup> September 2018, 7<sup>th</sup> December 2018, 11<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019, were conducted through video conference.

## (2) Audit Committee

The Audit Committee of the Board of Directors of the Bank (Audit Committee) comprises of 5 members out of which 4 are Independent Directors. The Members are Prof. Samir K. Barua, Independent Director (Chairman), Shri S. Vishvanathan, Shri Rakesh Makhija, Independent Directors, Shri B. Baburao, Non-Executive Director and Shri Girish Paranjpe, Independent Director of the Bank. The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise.

Shri Girish Paranjpe, Independent Director of the Bank was inducted as a member of the Audit Committee, with effect from 30<sup>th</sup> January 2019.

The brief description of terms of reference of the Audit Committee, are as under:

- i) To provide direction and to oversee the operation of the audit function.
- ii) To review the internal audit system with special emphasis on its quality and effectiveness and status of compliance with respect to Risk Assessment Report, Risk Mitigation Plan, Scrutiny Reports issued by RBI.
- iii) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors), approve the appointment, re-appointment, remuneration and terms of appointment of statutory auditors and payments to statutory auditors for any other services rendered by them.
- iv) To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- v) To review, with the management, quarterly as well as the annual financial statements and auditor's report thereon before submission to the Board for approval with special emphasis on accounting policies and practices, compliance with accounting standards, disclosure of related party transactions and other legal requirements relating to financial statements.
- vi) Oversee the implementation of Compliance Policy and review the compliance function on half-yearly and annual basis ensuring that all compliance issues are resolved effectively.

- vii) To review functioning of the Whistle Blower and Vigilance mechanism.
- viii) To approve any subsequent modification of transactions of the Bank that shall involve related parties.
- ix) To review all matters as specified by RBI in the circular on Calendar of Reviews as per RBI Circular dated 10<sup>th</sup> November 2010 and notifications thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and rules made thereunder.

The Chief Audit Executive (CAE), Chief Compliance Officer and the Group Executive & Chief Financial Officer of the Bank attends the meetings of the Audit Committee. The Executive Directors of the Bank are permanent invitees to the meetings of the Audit Committee. The CAE of the Bank directly reports to the Audit Committee. The Company Secretary of the Bank acts as the secretary to the Audit Committee. Prof. Samir K. Barua, Chairman of the Audit Committee attended the Twenty Fourth Annual General Meeting of the Shareholders of the Bank.

The Audit Committee discusses with the Statutory Auditors, the key highlights of the quarterly and annual financial results of the Bank, before recommending the same to the Board of Directors of the Bank, for their approval. The representatives of the Statutory Auditors have attended the meetings of the Audit Committee held during the year for review of the quarterly / annual financial results of the Bank. The Audit Committee also discusses with the Statutory Auditors the matters connected with the said financial results, without the presence of any executives of the Bank.

In all, 18 meetings of the Audit Committee were held during the Financial Year 2018-19 i.e. on 9<sup>th</sup> April 2018, 26<sup>th</sup> April 2018, 9<sup>th</sup> May 2018, 16<sup>th</sup> May 2018, 25<sup>th</sup> May 2018, 25<sup>th</sup> June 2018, 26<sup>th</sup> July 2018, 30<sup>th</sup> July 2018, 14<sup>th</sup> August 2018, 27<sup>th</sup> September 2018, 2<sup>nd</sup> November 2018, 15<sup>th</sup> November 2018, 7<sup>th</sup> January 2019, 29<sup>th</sup> January 2019, 19<sup>th</sup> February 2019, 7<sup>th</sup> March 2019, 20<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019.

The details of the meetings of the Audit Committee attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Prof. Samir K. Barua	18/18	9,00,000
Shri S. Vishvanathan	18/18	9,00,000
Shri Rakesh Makhija	18/18	9,00,000
Shri B. Baburao <sup>®</sup>	14/18	7,00,000
Shri Girish Paranjpe (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	4/4	2,00,000

<sup>®</sup> Leave of absence was granted to the concerned Member who had expressed his inability to attend the respective meetings.

The meetings of the said Committee held on 27<sup>th</sup> September 2018 and 20<sup>th</sup> March 2019, were conducted through video conference.

### (3) Risk Management Committee

The Risk Management Committee of the Board of Directors of the Bank (Risk Management Committee) comprises of 7 members out of which 4 are Independent Directors. The Members are Prof. Samir K. Barua, Independent Director (Chairman), Shri Amitabh Chaudhry, Managing Director & CEO, Dr. Sanjiv Misra and Shri Rohit Bhagat, Independent Directors, Smt. Usha Sangwan, Non-Executive Director, Smt. Ketaki Bhagwati, Independent Director and Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank.

The tenure of Smt. Shikha Sharma as a Managing Director & CEO of the Bank had ceased, with effect from the close of business hours on 31<sup>st</sup> December 2018. Accordingly, she ceased to be a member of the Risk Management Committee, with effect from the said date.

Pursuant to the vacancy caused by the expiry of tenure of Smt. Shikha Sharma, Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was inducted as a member of the Risk Management Committee, with effect from 1<sup>st</sup> January 2019.

Smt. Usha Sangwan, Non-Executive Director of the Bank and Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank, were inducted as members of the Risk Management Committee, with effect from 30<sup>th</sup> January 2019.

The brief description of terms of reference of the Risk Management Committee, are as under:

- i) Framing and governing of the risk strategy and approving and reviewing the risk appetite of the Bank.
- ii) Ensuring that sound policies, procedures and practices are in place to manage its risks.
- iii) Establishing a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk etc. in order to ensure that the risk profile is adequately diversified.
- iv) Ensuring compliance with requirements/guidance on risk management issued by RBI and other regulators.

The Chief Risk Officer (CRO) of the Bank reports directly to the Managing Director & CEO of the Bank. The CRO of the Bank oversees the risk management function and is responsible for developing and setting the risk management framework, developing and maintaining systems and processes to identify, approve, measure, monitor, control and report risks, developing risk controls and mitigation processes, ensuring adherence to the Risk Appetite established by the Board. The CRO of the Bank is independent of the business lines and is actively involved in key decision making processes. The CRO of the Bank also meets the Risk Management Committee without the presence of any executives of the Bank.

In all, 7 meetings of the Risk Management Committee were held during the Financial Year 2018-19 i.e. on 27<sup>th</sup> April 2018, 16<sup>th</sup> May 2018, 15<sup>th</sup> June 2018, 31<sup>st</sup> July 2018, 14<sup>th</sup> November 2018, 18<sup>th</sup> February 2019 and 27<sup>th</sup> March 2019.

The details of the meetings of the Risk Management Committee attended by the Members during the Financial Year 2018-19, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Prof. Samir K. Barua	7/7	3,50,000
Smt. Shikha Sharma (Ceased to be a Member, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	5/5	-
Shri Amitabh Chaudhry (inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	2/2	-
Dr. Sanjiv Misra <sup>®</sup>	5/7	2,50,000
Shri Rohit Bhagat <sup>®</sup>	6/7	3,00,000
Smt. Usha Sangwan <sup>®</sup> (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	1/2	50,000
Smt. Ketaki Bhagwati	7/7	3,50,000
Shri Rajiv Anand (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	2/2	-

<sup>®</sup> Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

The meetings of the said Committee held on 27<sup>th</sup> April 2018, 16<sup>th</sup> May 2018, 15<sup>th</sup> June 2018, 14<sup>th</sup> November 2018, 18<sup>th</sup> February 2019 and 27<sup>th</sup> March 2019, were conducted through video conference.

#### (4) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors of the Bank (Stakeholders Relationship Committee) comprises of 3 members out of which 1 is an Independent Director. The Members are Shri B. Baburao,

Non-Executive Director (Chairman), Shri S. Vishvanathan, Independent Director and Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank.

Shri B. Baburao, Chairman of the Stakeholders Relationship Committee attended the Twenty Fourth Annual General Meeting of the Shareholders of the Bank. The Company Secretary of the Bank is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations.

Shri S. Vishvanathan, Independent Director of the Bank, was inducted as a member of the Stakeholders Relationship Committee, with effect from 20<sup>th</sup> October 2018.

The brief description of terms of reference of the Stakeholders Relationship Committee, are as under:

- i) Resolving the grievances of the security holders of the Bank, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii) Review of measures taken for effective exercise of voting rights by shareholders.
- iii) Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv) Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.
- v) To review such other matters, as the Committee may deem appropriate, from time to time.

In all, 5 meetings of the Stakeholders Relationship Committee were held during the Financial Year 2018-19 i.e. on 13<sup>th</sup> April 2018, 24<sup>th</sup> July 2018, 15<sup>th</sup> October 2018, 17<sup>th</sup> January 2019 and 26<sup>th</sup> March 2019.

The details of the meetings of the Stakeholders Relationship Committee attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Shri B. Baburao	5/5	2,50,000
Shri S. Vishvanathan (inducted as a Member, w.e.f. 20 <sup>th</sup> October 2018)	2/2	1,00,000
Shri Rajesh Dahiya	5/5	-

No meeting of the said Committee was conducted through video conference.

#### (5) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors of the Bank (Nomination and Remuneration Committee) comprises of 4 members out of which 3 are Independent Directors. The Members are Shri Rakesh Makhija, Independent Director (Chairman), Shri Som Mittal and Shri Rohit Bhagat, Independent Directors and Shri Stephen Pagliuca, Non-Executive Director of the Bank.

The tenure of Shri Prasad Menon as an Independent Director of the Bank had ceased, with effect from the close of business hours on 8<sup>th</sup> October 2018, upon completion of the maximum permissible tenure of 8 continuous years, under Section 10A (2A) of the Banking Regulation Act, 1949. Accordingly, he ceased to be a member and Chairman of the Nomination and Remuneration Committee, with effect from the said date.

Post the cessation of the tenure of Shri Prasad Menon as a member and Chairman of the Nomination and Remuneration Committee, Shri Rakesh Makhija, Independent Director of the Bank was elected as the Chairman. Shri Stephen Pagliuca, Non-Executive Director of the Bank was inducted as a member of the Nomination and Remuneration Committee, with effect from 20<sup>th</sup> October 2018.

Shri Prasad Menon, as Chairman of the Nomination and Remuneration Committee had attended the Twenty Fourth Annual General Meeting of the Shareholders of the Bank.

The brief description of terms of reference of the Nomination and Remuneration Committee, are as under:

- i) To evaluate the succession planning process adopted by the Bank and recommend the appointment / re-appointment of Individual & Independent Directors, Whole Time Directors and Senior Management along with the terms of appointment including remuneration.
- ii) To set the goals, objectives and performance benchmarks for the Bank, Whole Time Directors & senior management and review the performance as per the timelines.
- iii) To review and recommend to the Board the overall remuneration framework and the compensation decisions for the Financial Year.
- iv) To review the organization structure of the Bank and recommend to the Board the talent management, succession policy and process, creation of new positions one level below the Managing Director & CEO of the Bank.
- v) Consider and approve the Stock based compensation for all the employees of the Bank including the Managing Director & CEO, other Whole Time Directors, Senior Management and other eligible employees of the Bank, in terms of the relevant provisions of the SEBI (Share Based Employee Benefits) Regulations, 2015, as amended, from time to time.

In all, 16 meetings of the Nomination and Remuneration Committee were held during the Financial Year 2018-19 i.e. on 25<sup>th</sup> April 2018, 16<sup>th</sup> May 2018, 19<sup>th</sup> June 2018, 9<sup>th</sup> July 2018, 24<sup>th</sup> July 2018, 30<sup>th</sup> July 2018, 7<sup>th</sup> September 2018, 5<sup>th</sup> October 2018, 1<sup>st</sup> November 2018, 8<sup>th</sup> December 2018, 7<sup>th</sup> January 2019, 28<sup>th</sup> January 2019, 19<sup>th</sup> February 2019, 12<sup>th</sup> March 2019, 26<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019.

The details of the meetings of the Nomination and Remuneration Committee attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Shri Prasad Menon (Ceased to be a Member, w.e.f. the close of business hours on 8 <sup>th</sup> October 2018)	8/8	4,00,000
Shri Rakesh Makhija <sup>®</sup>	15/16	7,50,000
Shri Som Mittal <sup>®</sup>	15/16	7,50,000
Shri Rohit Bhagat <sup>®</sup>	14/16	7,00,000
Shri Stephen Pagliuca <sup>®</sup> (Inducted as a Member, w.e.f. 20 <sup>th</sup> October 2018)	7/8	3,50,000

<sup>®</sup> Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

The meetings of the said Committee held on 25<sup>th</sup> April 2018, 16<sup>th</sup> May 2018, 19<sup>th</sup> June 2018, 9<sup>th</sup> July 2018, 24<sup>th</sup> July 2017, 5<sup>th</sup> October 2018, 1<sup>st</sup> November 2018, 8<sup>th</sup> December 2018, 7<sup>th</sup> January 2019, 28<sup>th</sup> January 2019, 19<sup>th</sup> February 2019, 12<sup>th</sup> March 2019, 26<sup>th</sup> March 2019 and 27<sup>th</sup> March 2019, were conducted through video conference.

#### (6) Special Committee of the Board of Directors for Monitoring of Large Value Frauds

The Special Committee of the Board of Directors for Monitoring of Large Value Frauds of the Bank (Special Committee for Monitoring of Large Value Frauds) comprises of 6 members out of which 2 are Independent Directors. The Members



are Prof. Samir K. Barua, Independent Director (Chairman), Shri Amitabh Chaudhry, Managing Director & CEO, Shri Rakesh Makhija, Independent Director, Smt. Usha Sangwan, Non-Executive Director, Shri B. Baburao, Non-Executive Director and Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank.

The tenure of Smt. Shikha Sharma as a Managing Director & CEO of the Bank had ceased, with effect from the close of business hours on 31<sup>st</sup> December 2018. Accordingly, she ceased to be a member of the Special Committee for Monitoring of Large Value Frauds, with effect from the said date.

Pursuant to the vacancy caused by the expiry of the tenure of Smt. Shikha Sharma, Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was inducted as a member of the Special Committee for Monitoring of Large Value Frauds, with effect from 1<sup>st</sup> January 2019.

Smt. Usha Sangwan, Non-Executive Director of the Bank, was inducted as a member of the Special Committee for Monitoring of Large Value Frauds, with effect from 30<sup>th</sup> January 2019.

The brief description of terms of reference of the Special Committee for Monitoring of Large Value Frauds, are as under:

- i) The main objectives of the Committee are to oversee investigation of large value frauds involving amount of ₹ 10 million and above in each case, actions taken by the Bank against the perpetrators of such frauds and suggesting / reviewing corrective steps to plug systemic loopholes, if any.
- ii) Monitor the progress in all the large value frauds and implementation of the suggestions made by the Committee.
- iii) The Committee also reviews the accounts identified as 'Red-Flagged' (RFA) with an exposure amounting to ₹ 500 million and above from the Bank, Cyber frauds and functioning of Fraud Review Council.
- iv) The Bank's Policy relating to Management and Reporting of Frauds is approved by the Committee.
- v) The functioning of the Committee may be reviewed on a half yearly basis and their findings be placed before the Board, for its review and noting.

In all, 7 meetings of Special Committee for Monitoring of Large Value Frauds were held during the financial Year 2018-19 i.e. on 25<sup>th</sup> May 2018, 25<sup>th</sup> June 2018, 14<sup>th</sup> August 2018, 27<sup>th</sup> September 2018, 15<sup>th</sup> November 2018, 7<sup>th</sup> January 2019 and 26<sup>th</sup> March 2019.

The details of the meetings of the Special Committee for Monitoring of Large Value Frauds attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees
Prof. Samir Barua	7/7	3,50,000
Smt. Shikha Sharma <sup>®</sup> (Ceased to be a Member, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	4/5	-
Shri Amitabh Chaudhry (Inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	2/2	-
Shri Rakesh Makhija	7/7	3,50,000
Smt. Usha Sangwan <sup>®</sup> (Inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	0/1	0
Shri B. Baburao	7/7	3,50,000
Shri Rajesh Dahiya <sup>®</sup>	6/7	-

<sup>®</sup> Leave of absence was granted to the concerned members who had expressed their inability to attend the respective meetings.

The meeting of the said Committee held on 27<sup>th</sup> September 2018, was conducted through video conference.

## (7) Customer Service Committee

The Customer Service Committee of the Board of Directors of the Bank (Customer Service Committee) comprises of 5 members out of which 2 are Independent Directors. The Members are Shri Som Mittal, Independent Director (Chairman),

Shri Amitabh Chaudhry, Managing Director & CEO, Smt. Usha Sangwan and Shri B. Baburao, Non-Executive Directors and Shri Girish Paranjpe, Independent Director of the Bank.

Shri Amitabh Chaudhry, Managing Director & CEO of the Bank, was inducted as a member of the Customer Service Committee, with effect from 1<sup>st</sup> January 2019.

Smt. Usha Sangwan, Non-Executive Director of the Bank and Shri Girish Paranjpe, Independent Director of the Bank were inducted as the members of the Customer Service Committee, with effect from 30<sup>th</sup> January 2019.

Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank, ceased to be a member of the Customer Service Committee, with effect from 30<sup>th</sup> January 2019, pursuant to him being re-designated as the Executive Director (Wholesale Banking) of the Bank.

The brief description of terms of reference of the Customer Service Committee, are as under:

- i) Oversee the functioning of various customer sub committees at the Bank.
- ii) Review complaints and quality of service provided by the Bank & it's subsidiaries to ensure a robust grievance redressal mechanism.
- iii) Approve policy documents and review effective implementation of RBI directives.
- iv) To review progress on other regulatory matters.
- v) Review the initiatives taken by the Bank to enhance customer experience.

In all, 4 meetings of the Customer Service Committee were held during the financial Year 2018-19 i.e. on 27<sup>th</sup> April 2018, 31<sup>st</sup> July 2018, 2<sup>nd</sup> November 2018 and 28<sup>th</sup> January 2019.

The details of the meetings of the Customer Service Committee attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Shri Som Mittal	4/4	2,00,000
Shri Amitabh Chaudhry (Inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	1/1	-
Shri Girish Paranjpe (Inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	0/0	0
Smt. Usha Sangwan (Inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	0/0	0
Shri B. Baburao <sup>@</sup>	3/4	1,50,000
Shri Rajiv Anand (Ceased to be a Member, w.e.f. the close of business hours on 30 <sup>th</sup> January 2019)	4/4	-

<sup>@</sup> Leave of absence was granted to the concerned Member who had expressed his inability to attend the respective meetings.

No meeting of the said Committee was conducted through video conference.

#### **(8) IT Strategy Committee**

The IT Strategy Committee of the Board of Directors of the Bank (IT Strategy Committee) comprises of 4 members out of which 2 are Independent Directors. The Members are Shri Som Mittal, Independent Director (Chairman), Shri Amitabh Chaudhry, Managing Director & CEO, Shri Girish Paranjpe, Independent Director and Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank.

The tenure of Shri Prasad Menon as an Independent Director of the Bank had ceased, with effect from close of business hours on 8<sup>th</sup> October 2018, upon completion of the maximum permissible tenure of 8 continuous years, under Section

10A (2A) of the Banking Regulation Act, 1949. Accordingly, he ceased to be a member of the IT Strategy Committee, with effect from the said date.

Pursuant to the vacancy caused by the expiry of the tenure of Shri Prasad Menon, Shri Girish Paranjpe, Independent Director of the Bank was inducted as a member of the IT Strategy Committee, with effect from 3<sup>rd</sup> November 2018.

The tenure of Shri V. Srinivasan, Deputy Managing Director and Smt. Shikha Sharma, Managing Director & CEO of the Bank, had ceased, with effect from the close of business hours on 20<sup>th</sup> December 2018 and 31<sup>st</sup> December 2018, respectively. Accordingly, they ceased to be the members of the IT Strategy Committee, with effect from the respective dates.

Pursuant to the vacancy caused by the expiry of tenure of Smt. Shikha Sharma, Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was inducted as a member of the IT Strategy Committee, with effect from 1<sup>st</sup> January 2019.

The brief description of terms of reference of the IT Strategy Committee, are as under:

- i) Approving IT Strategy and policies and ensuring that IT strategy is aligned with business strategy.
- ii) Ensure that IT architecture, investment, organisational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.
- iii) Assessing and reviewing the strategy for addressing IT and cyber security risks.

In all, 4 meetings of IT Strategy Committee were held during the Financial Year 2018-19 i.e. on 20<sup>th</sup> June 2018, 5<sup>th</sup> October 2018, 21<sup>st</sup> December 2018 and 14<sup>th</sup> March 2019.

The details of the meetings of the IT Strategy Committee attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Shri Som Mittal	4/4	2,00,000
Smt. Shikha Sharma@ (Ceased to be a Member, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	2/3	-
Shri Amitabh Chaudhry (Inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	1/1	-
Shri Prasad Menon (Ceased to be a Member, w.e.f. the close of business hours on 8 <sup>th</sup> October 2018)	2/2	1,00,000
Shri Girish Paranjpe (Inducted as a Member, w.e.f. 3 <sup>rd</sup> November 2018)	2/2	1,00,000
Shri V. Srinivasan (Ceased to be a Member, w.e.f. the close of business hours on 20 <sup>th</sup> December 2018)	2/2	-
Shri Rajiv Anand	4/4	-

\* Leave of absence was granted to the concerned Member who had expressed her inability to attend the meeting.

No meeting of the said Committee was conducted through video conference.

#### (9) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors of the Bank (CSR Committee) comprises of 3 members out of which 1 is an Independent Director. The Members are Shri Som Mittal, Independent Director (Chairman), Shri Rajesh Dahiya, Executive Director (Corporate Centre) and Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank.

The brief description of terms of reference of the CSR Committee, are as under:

- i) Formulate and recommend to the Board, the Corporate Social Responsibility (CSR) strategy of the Bank including the CSR Policy in alignment to the Bank's social, environmental and economic activities.
- ii) Review and approve the CSR activities to be undertaken by the Bank either directly or through Axis Bank Foundation during the year of implementation.
- iii) Recommend the amount of expenditure to be incurred on the CSR activities and undertaking a review, monitoring and evaluation of the initiatives to ensure compliance against agreed targets.
- iv) Instituting a transparent monitoring mechanism to ensure implementation of the CSR projects/programs/activities and conducting impact assessment of the various initiatives at periodic intervals.
- v) Reviewing and recommending the annual CSR report for the Board's approval and for public disclosure.
- vi) Performing such other duties with respect to CSR activities, as may be required to be done by the Bank under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.

The details of the CSR activities undertaken by the Bank during the year under review have been provided in the annexure to the Directors' report.

In all, 4 meetings of CSR Committee were held during the Financial Year 2018-19 i.e. on 21<sup>st</sup> June 2018, 5<sup>th</sup> October 2018, 21<sup>st</sup> December 2018 and 14<sup>th</sup> March 2019.

The details of the CSR Committee meetings attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Shri Som Mittal	4/4	2,00,000
Shri Rajesh Dahiya	4/4	-
Shri Rajiv Anand	4/4	-

No meeting of the said Committee was conducted through video conference.

#### (10) Review Committee

The Review Committee of the Board of Directors of the Bank (Review Committee) comprises of 3 members out of which 2 are Independent Directors. The Members are Shri Amitabh Chaudhry, Managing Director & CEO (Chairman), Shri S. Vishvanathan and Smt. Ketaki Bhagwati, Independent Directors of the Bank.

The tenure of Smt. Shikha Sharma as a Managing Director & CEO of the Bank had ceased, with effect from close of business hours on 31<sup>st</sup> December 2018. Accordingly, she ceased to be a member of the Review Committee, with effect from the said date.

Pursuant to the vacancy caused by the expiry of tenure of Smt. Shikha Sharma, Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was inducted as a member of the Review Committee, with effect from 1<sup>st</sup> January 2019.

The brief description of terms of reference of the Review Committee, are as under:

- i) To review and confirm the Order(s) passed by the said Internal Committee identifying a borrower as a Wilful Defaulter, in terms of Para 3 (c) of the of RBI Master Circular No. RBI/2015-16/100 DBR.No.CID.BC.22/20.16.003/2015-16.

- ii) To review and confirm the Order(s) passed by the said Internal Committee identifying a borrower as a Non-cooperative borrower, in terms of Para 2 (d) of RBI Circular No. RBI/2014-15/362 DBR.No.CID. BC.54/20.16.064/2014-15 dated December 22, 2014.
- iii) To review the information relating to the non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC).
- iv) To put in place a system for proper and timely classification of borrowers as wilful defaulters or/as non-cooperative borrowers. The said accounts of such borrowers shall be reviewed at-least on a half-yearly basis and a report thereon shall be placed before the Board for its review and noting.

In all, 3 meetings of Review Committee were held during the Financial Year 2018-19 i.e. on 25<sup>th</sup> May 2018, 30<sup>th</sup> July 2018 and 17<sup>th</sup> January 2019.

The details of the meetings of the Review Committee attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees
Smt. Shikha Sharma (Ceased to be a Member, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	2/2	-
Shri Amitabh Chaudhry (Inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	1/1	-
Shri S. Vishvanathan	3/3	1,50,000
Smt. Ketaki Bhagwati@	2/3	1,00,000

@ Leave of absence was granted to the concerned Member who had expressed her inability to attend the respective meeting.

No meeting of the said Committee was conducted through video conference.

#### (11) Acquisitions, Divestments & Mergers Committee

The Acquisitions, Divestments and Mergers Committee of the Board of Directors of the Bank (ADAM Committee) comprises of 4 members out of which 3 are Independent Directors. The Members are Shri Rohit Bhagat, Independent Director (Chairman), Shri Amitabh Chaudhry, Managing Director & CEO and Shri Rakesh Makhija and Smt. Ketaki Bhagwati, Independent Directors of the Bank.

The tenure of Shri Prasad Menon as an Independent Director of the Bank had ceased, with effect from close of business hours on 8<sup>th</sup> October 2018, upon completion of the maximum permissible tenure of 8 continuous years, under Section 10A (2A) of the Banking Regulation Act, 1949. Accordingly, he ceased to be a member and Chairman of the ADAM Committee, with effect from the said date. Consequently, Shri Rohit Bhagat was elected as the Chairman of the ADAM Committee.

Pursuant to the vacancy caused by the expiry of the tenure of Shri Prasad Menon, Smt. Ketaki Bhagwati, Independent Director of the Bank, was inducted as a member of the ADAM Committee, with effect from 20<sup>th</sup> October 2018.

The tenure of Smt. Shikha Sharma as the Managing Director & CEO of the Bank had ceased, with effect from close of business hours on 31<sup>st</sup> December 2018. Accordingly, she ceased to be a member of the ADAM Committee, with effect from the said date.

Pursuant to the vacancy caused by the expiry of tenure of Smt. Shikha Sharma, Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was inducted as a member of the ADAM Committee, with effect from 1<sup>st</sup> January 2019.

The brief description of the terms of reference of ADAM Committee, are as under:

- i) The main function of the ADAM Committee is to consider any idea or proposal relating to merger and acquisition. This Committee will consider such ideas/proposals and give its in-principle approval in the matter and recommend the same for the approval of the Board of Directors.
- ii) Acquisition of business: Business takeover/acquisition as distinct from portfolio or asset purchase (If the purchase of a portfolio is accompanied by other integral elements of the business such as manpower, technology or a distribution franchise, a reference should be made to the Committee).
- iii) Strategic investments: Acquisition of greater than 25% stake in a company or acquisition of stake in a company where the proportion is 25% or lower but where the Bank intends to have management participation. (These exclude cases where the stake is acquired under a loan-restructuring/CDR arrangement or where shares are pledged to the Bank against credit facilities).
- iv) Strategic divestments: Sale of an existing business of the Bank (as distinct from the sale of assets in the normal course of business, sale to ARCs and fixed assets) or sale of stake (including minority stake) in strategic investments/subsidiary companies of the Bank.

In all, 3 meetings of ADAM Committee were held during the Financial Year 2018-19 i.e. on 27<sup>th</sup> April 2018, 19<sup>th</sup> June 2018 and 28<sup>th</sup> January 2019.

The details of the meetings of the ADAM Committee attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees
Shri Prasad Menon (Ceased to be a Member, w.e.f. the close of business hours on 8 <sup>th</sup> October 2018)	2/2	1,00,000
Shri Rohit Bhagat <sup>*</sup>	1/3	50,000
Smt. Shikha Sharma (Ceased to be a Member, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	2/2	-
Shri Amitabh Chaudhry (Inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	1/1	-
Smt. Ketaki Bhagwati (Inducted as a Member, w.e.f. 20 <sup>th</sup> October 2018)	1/1	50,000
Shri Rakesh Makhija	3/3	1,50,000

<sup>\*</sup> Leave of absence was granted to the concerned Member who had expressed his inability to attend the respective meetings.

No meeting of the said Committee was conducted through video conference.

## (12) Committee of Whole Time Directors

The Committee of Whole - Time Directors of the Board of Directors of the Bank (COWTD) comprises of the Whole - Time Directors of the Bank. The Members are Shri Amitabh Chaudhry, Managing Director & CEO (Chairman), Shri Rajiv Anand, Executive Director (Wholesale Banking) and Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank.

The tenure of Shri V. Srinivasan, Deputy Managing Director and Smt. Shikha Sharma, Managing Director & CEO of the Bank, had ceased, with effect from the close of business hours on 20<sup>th</sup> December 2018 and 31<sup>st</sup> December 2018 respectively. Accordingly, they ceased to be the members of COWTD, with effect from the respective dates.

Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was inducted as a member of the COWTD, with effect from 1<sup>st</sup> January 2019.

The brief description of the terms of reference of COWTD, are as under:

- i) Issuance of Power of Attorney to various officials of the Bank.
- ii) Approve the allotment of equity shares pursuant to exercise of stock option by eligible employees/ directors of the Bank and that of its subsidiary companies, in terms of the relevant Employee Stock Option Scheme(s) of the Bank.
- iii) Approve the allotment of Debt Securities issued by the Bank, including, but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments, Tier II Capital Bonds or such other Debt Securities/ Securities as may be issued by the Bank.
- iv) To discuss matters inter alia relating to the operations, strategies, business opportunities relating to the Bank and/or that of its subsidiaries.
- v) Annual Branch Expansion Plan approved by the Board: Substitution of Branch Centres/ New Specialised & CPC/ Service Branches/ Rural Unbanked Centre.
- vi) Any other matter as may be authorised by the Board of Directors/Board Level Committees or required to be done pursuant to any laws, rules, regulations or any internal policies of the Bank.

In all, 13 meetings of COWTD were held during the Financial Year 2018-19 i.e. on 16<sup>th</sup> April 2018, 21<sup>st</sup> May 2018, 18<sup>th</sup> June 2018, 23<sup>rd</sup> July 2018, 27<sup>th</sup> August 2018, 24<sup>th</sup> September 2018, 29<sup>th</sup> October 2018, 19<sup>th</sup> November 2018, 17<sup>th</sup> December 2018, 21<sup>st</sup> January 2019, 15<sup>th</sup> February 2019, 20<sup>th</sup> March 2019 and 29<sup>th</sup> March 2019.

No sitting fees are paid to the Members of the COWTD, for participating in the said meetings.

The details of the COWTD meetings attended by the Members during the Financial Year 2018-19, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Smt. Shikha Sharma <sup>®</sup> (Ceased to be a Member, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	8/9	-
Shri Amitabh Chaudhry (Inducted as a Member, w.e.f. 1 <sup>st</sup> January 2019)	4/4	-
Shri V. Srinivasan <sup>®</sup> (Ceased to be a Member, w.e.f. the close of business hours on 20 <sup>th</sup> December 2018)	8/9	-
Shri Rajiv Anand <sup>®</sup>	11/13	-
Shri Rajesh Dahiya <sup>®</sup>	11/13	-

<sup>®</sup> Leave of absence was granted to the concerned Member who had expressed their inability to attend the respective meetings.

No meeting of the said Committee was conducted through video conference.

### Special Meeting of Independent Directors

During the year under review, the Independent Directors of the Bank met on 29<sup>th</sup> January 2019 without the attendance of Non-Independent Directors and Members of Management. At the said meeting, the Independent Directors reviewed the process proposed to be adopted for conduct of Board performance evaluation as recommended by the Nomination and Remuneration Committee.

Thereafter, the Independent Directors at its meeting held on 26<sup>th</sup> April 2019, evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairperson of the Bank after taking into account the views of the Executive and Non-Executive Directors and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board in accordance with Schedule IV of the Companies Act, 2013.

No sitting fees was paid to the Independent Directors of the Bank for participating in the said meetings.

## Remuneration Policy

The Bank has formulated and adopted a Comprehensive Remuneration Policy for its Directors, Key Managerial Personnel and Employees of the Bank, in terms of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, Regulation 19 of the Listing Regulations and the Guidelines issued by the RBI, in this regard, from time to time. During the year, the said Policy was reviewed by the Board of Directors of the Bank.

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure that both internal and external equity are in line with the emerging market trends.

The Bank strives to ensure that the compensation practices are in line with the extant compensation regulations as applicable. The remuneration paid to all the employees of the Bank, is in accordance with the said Remuneration Policy of the Bank.

## Remuneration of Directors

- i. Dr. Sanjiv Misra was appointed as the Non-Executive (Part-time) Chairman of the Bank, for a period of 3 (three) years, with effect from 18<sup>th</sup> July 2016. The details of remuneration paid to Dr. Sanjiv Misra, in terms of the approvals granted by the Reserve Bank of India and the Shareholders of the Bank for the Financial Year 2018-19, are as under:

For the period	1 <sup>st</sup> April 2018 upto 31 <sup>st</sup> March 2019
Remuneration	₹ 2,75,000 per month
Company Car	Free use of Bank's Car for official and private purposes
Touring	Travelling and Official expenses to be borne by the Bank for Board functions as a Chairman
Sitting Fees	As payable to other Non- Executive Directors

- ii. Smt. Shikha Sharma retired from the services of the Bank and accordingly ceased to be the Managing Director & CEO of the Bank, with effect from the close of business hours on 31<sup>st</sup> December 2018. The details of the remuneration paid to Smt. Shikha Sharma, in terms of the approval granted by the RBI and the Shareholders of the Bank, for the period 1<sup>st</sup> April 2018 upto 31<sup>st</sup> December 2018, are given below in sub para ix.

Smt. Shikha Sharma was granted 78,40,000 stock options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 1<sup>st</sup> June 2009 being the date of her appointment as the Managing Director & CEO of the Bank. Out of the above, 71,02,000 stock options have been vested, 42,75,000 stock options have been exercised and the balance 28,27,000 stock options remain unexercised, as on the date of her retirement. Further, 7,38,000 stock options remain unvested, as on 31<sup>st</sup> December 2018, being the date of her retirement.

- iii. Shri Amitabh Chaudhry was appointed as the Managing Director & CEO of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> January 2019 upto 31<sup>st</sup> December 2021 (both days inclusive). The details of remuneration paid to Shri Amitabh Chaudhry, in terms of the approvals granted by the RBI and the Shareholders of the Bank, for the period 1<sup>st</sup> January 2019 upto 31<sup>st</sup> March 2019, are given below in sub para ix.

Shri Amitabh Chaudhry was granted 6,30,000 stock options, under the Employee Stock Option Scheme of the Bank, since 1<sup>st</sup> January 2019 being the date of his appointment as the Managing Director & CEO of the Bank. The said grant has been approved by the RBI. As on 31<sup>st</sup> March 2019, no stock options have vested with Shri Amitabh Chaudhry.

- iv. Shri V. Srinivasan retired from the services of the Bank and has accordingly ceased to be the Deputy Managing Director of the Bank, with effect from the close of business hours on 20<sup>th</sup> December 2018. The details of remuneration paid to Shri V. Srinivasan, in terms of the approvals granted by the RBI and the Shareholders of the Bank, for the period 1<sup>st</sup> April 2018 upto 20<sup>th</sup> December 2018, are given below in sub para ix.

Shri V. Srinivasan was granted 39,25,000 stock options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 7<sup>th</sup> September 2009 being the date of his appointment as the Executive Director & Head



(Corporate Banking) of the Bank. Out of the above, 34,65,000 stock options have been vested, 16,98,000 stock options have been exercised and the balance 17,67,000 stock options remain unexercised, as on date of his retirement. Further, 4,60,000 stock options remain unvested, as on 20<sup>th</sup> December 2018, being date of his retirement.

- v. Shri Rajiv Anand was appointed as the Executive Director (Retail Banking) of the Bank, for a period of 3 years, with effect from, 4<sup>th</sup> August 2016. Further, the Board at its meeting held on 8<sup>th</sup> December 2018, approved the change in the responsibilities of Shri Rajiv Anand and accordingly, re-designated him as the Executive Director (Wholesale Banking) of the Bank, with effect from 21<sup>st</sup> December 2018 upto 3<sup>rd</sup> August 2019 (both days inclusive). The details of the remuneration paid to Shri Rajiv Anand, in terms of the approvals granted by the RBI and the Shareholders of the Bank, for the Financial Year 2018-19, are given below in sub-para ix.

Shri Rajiv Anand was granted 21,20,000 stock options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 30<sup>th</sup> March 2009 being the date of his appointment as the Managing Director & CEO of Axis Asset Management Company Limited, subsidiary of the Bank. Out of the above, 16,07,500 stock options have been vested, 9,65,000 stock options have been exercised and the balance 6,42,500 stock options remain unexercised, as on 31<sup>st</sup> March 2019. Further, 5,12,500 stock options remain unvested, as on 31<sup>st</sup> March 2019.

- vi. Shri Rajesh Dahiya was appointed as the Executive Director (Corporate Centre) of the Bank, for a period of 3 years, with effect from 4<sup>th</sup> August 2016. The details of the remuneration paid to Shri Rajesh Dahiya, in terms of the approvals granted by the RBI and the Shareholders of the Bank, for the Financial Year 2018-19, are given below in sub-para ix.

Shri Rajesh Dahiya was granted 12,87,500 stock options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 1<sup>st</sup> June 2010 being the date of his appointment as the President (Human Resources) of the Bank. Out of the above, 8,82,750 stock options have been vested, 5,50,000 stock options have been exercised and the balance 3,32,750 stock options remain unexercised, as on 31<sup>st</sup> March 2019. Further, 4,04,750 stock options remain unvested, as on 31<sup>st</sup> March 2019.

- vii. The Bank does not grant stock options to its Non-Executive Directors. The Non-Executive Directors of the Bank are entitled to receive sitting fees for the meetings of the Board / Committees, attended by them and to Profit Linked Commission (except for Non-Executive (Part-Time) Chairman), in terms of the RBI circular No DBR.No.BC.97/29.67.001/2014-15 dated 1<sup>st</sup> June 2015 on Guidelines on Compensation of Non-Executive Directors of Private Sector Banks.
- viii. The Whole Time Directors of the Bank are not entitled to receive any sitting fees from the Bank or from its subsidiary companies, for attending meetings of the Board and its Committees. Further, the Whole Time Directors of the Bank are not entitled to receive any remuneration or commission from any of the subsidiary companies of the Bank.
- ix. The details of remuneration paid to the Whole - Time Directors of the Bank during the Financial Year 2018-19, in terms of the approvals granted by the RBI and the Shareholders of the Bank, for the Financial Year 2018-19, are as under:

(in ₹)

	Smt. Shikha Sharma [1.4.2018 to 31.12.2018]	Shri Amitabh Chaudhry [1.1.2019 to 31.3.2019]	Shri V. Srinivasan [1.4.2018 to 20.12.2018]	Shri Rajiv Anand [1.4.2018 to 31.3.2019]	Shri Rajesh Dahiya [1.4.2018 to 31.3.2019]
Salary (Basic)	2,20,89,753	90,00,000	1,58,56,935	1,62,99,732	1,44,85,676
Leave Fare Concession facility	-	2,49,999	4,35,863	5,49,996	5,49,996
House Rent Allowance	73,68,003	24,99,999	39,62,874	53,78,910	22,22,310
Deferred Variable pay (for 2014-15)	25,68,098	-	-	-	-
Variable pay (for 2016-17)	90,97,000	-	46,66,569	50,89,279	37,39,240

	Smt. Shikha Sharma [1.4.2018 to 31.12.2018]	Shri Amitabh Chaudhry [1.1.2019 to 31.3.2019]	Shri V. Srinivasan [1.4.2018 to 20.12.2018]	Shri Rajiv Anand [1.4.2018 to 31.3.2019]	Shri Rajesh Dahiya [1.4.2018 to 31.3.2019]
Superannuation Allowance / Fund	22,08,978	9,00,000	15,85,694	16,29,974	14,48,564
Perquisites (excluding ESOP)	3,75,574	37,841	17,43,728	27,96,605	42,99,048
Provident Fund (Bank Contribution)	12 % of Basic Pay	12 % of Basic Pay	12 % of Basic Pay	12 % of Basic Pay	12 % of Basic Pay
Gratuity	2,45,44,170	One month's salary for each completed year of service	1,67,67,000	One month's salary for each completed year of service	One month's salary for each completed year of service
Leave Encashment	47,45,206	-	49,05,750	1,70,871	11,38,673

Perquisites (evaluated as per Income Tax Rules, 1962, wherever applicable, or otherwise at actual cost to the Bank) such as Bank's furnished accommodation, electricity, water and furnishings, club fees, personal accident insurance, loans, use of car and telephone at residence, medical reimbursement, travelling and halting allowances, newspapers and periodicals and others were provided in accordance with the Rules of the Bank.

In view of the financial performance of the Bank for the Financial Year 2017-18, the Nomination & Remuneration Committee did not recommend payment of variable pay to the Whole Time Directors of the Bank for the said financial year.

The Bank as a Policy, does not pay any severance fees to its Managing Director & CEO or to its Executive Directors. The tenure of the office of the Managing Director & CEO and the Executive Directors of the Bank is for a period of 3 (three) years from date of their respective appointment/re-appointment, as approved by the RBI and the same can be terminated by either party by giving three months' notice in writing.

- x. All the Non-Executive Directors of the Bank were paid sitting fees of ₹ 1,00,000 for every meeting of the Board and ₹ 50,000 for every meeting of the Committees of the Board attended by them. The details of the sitting fees paid to the Non-Executive Directors of the Bank during the Financial Year 2018-19, are as under:

Name of the Directors	Sitting Fees
Dr. Sanjiv Misra	14,50,000
Shri Prasad Menon (Ceased to be a Director of the Bank on expiry of his tenure, w.e.f. the close of business hours on 8 <sup>th</sup> October 2018)	15,00,000
Prof. Samir K. Barua	28,00,000
Shri Som Mittal	24,50,000
Shri Rohit Bhagat	19,50,000
Smt. Usha Sangwan <sup>e</sup>	7,50,000
Shri S. Vishvanathan	31,00,000
Shri Rakesh Makhija	33,50,000
Smt. Ketaki Bhagwati	22,50,000
Shri B. Baburao <sup>e</sup>	28,00,000
Shri Stephen Pagliuca	13,50,000
Shri Girish Paranjpe (Appointed as an Independent Director of the Bank, w.e.f. 2 <sup>nd</sup> November 2018)	8,00,000
<b>Total</b>	<b>2,45,50,000</b>

<sup>e</sup> Sitting fees paid upto 30<sup>th</sup> September 2018 to Smt. Usha Sangwan (Nominee Director – LIC) and upto 2<sup>nd</sup> January 2019 to Shri B. Baburao (Nominee Director – SUUTI) for attending the meetings of the Board/Committees have been credited to the designated bank account of LIC and SUUTI, respectively. Further, the sitting fees paid after the said date have been credited to the designated Bank account of Smt. Usha Sangwan and Shri B. Baburao, respectively.

As on 31<sup>st</sup> March 2019, none of the Non-Executive Directors of the Bank or their immediate relatives held any equity shares of the Bank.

- xi. Due to inadequacy of profits for the Financial Year 2017-18, the Non-Executive Directors of the Bank were not paid any profit linked commission for the said financial year.

#### Board Performance Evaluation

The performance evaluation of Board, its Committees, Chairperson and Individual Directors was done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations relating to Corporate Governance.

The Nomination and Remuneration Committee (the Committee) of the Bank is the nodal agency for conduct of said performance evaluation. The Committee reviewed and approved the manner for conducting the said performance evaluation and also determined the criteria for the same. The Committee had appointed an Independent external agency to facilitate the said performance evaluation.

The performance evaluation of the Board was conducted on various aspects of the Board's functioning such as strategic planning, identification and management of risks, succession planning and evaluation of management, audit & compliance, governance, relationship with executive management of the Bank, etc. The performance evaluation of the Committees was based on criteria such as appropriate composition, clarity in terms of reference, regularity of meetings, quality of discussion/deliberation at its meetings, participation of members etc. The performance evaluation of Directors was carried out on various criteria such as attendance, participation at the meetings, interpersonal relationship with other Directors, providing guidance, knowledge and understanding of areas relevant to the operations of the Bank, etc.

The said performance evaluation was conducted by the Committee/ Board at its meetings held on 25<sup>th</sup> April 2019 and 26<sup>th</sup> April 2019, respectively. The outcomes were reviewed by the Committee and the Board and their observations/ feedback were conveyed to the concerned stakeholders, for appropriate action.

#### Familiarisation Programme for Independent Directors

The Bank has conducted the familiarisation programme for its Independent and Non-Executive Directors covering the matters as specified under Regulation 25 (7) of the Listing Regulations. The details of the same have been uploaded on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>

#### Induction Programme for new Directors

The new Directors are inducted through one to one meetings with the Managing Director & CEO, Whole Time Directors and other members of the Senior Management on issues relating to business strategy, regulatory environment, business plans and key performance indicators. They are also provided with information relating to the finances and operations of the Bank, the organization structure and their roles, duties and responsibilities. On appointment, the Independent Directors are issued a Letter of Appointment setting out the terms and conditions relating to their appointment and their duties and responsibilities under applicable laws. The said letter is also uploaded on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance>

#### Fees paid to Statutory Auditors

The details of fees for all services paid by the Bank and its subsidiaries, on a consolidated basis, to the Statutory Auditor M/s Haribhakti & Co. LLP and all entities in the network firm/network entity of which M/s Haribhakti & Co. LLP is part thereof, is detailed as under:

		(in ₹)
Sr No	Particulars	Amount
1	Audit Fees	15,498,500
2	Non Audit Fees	4,000,000
<b>Total*</b>		<b>19,498,500</b>

\*The out of pocket expenses paid to M/s Haribhakti & Co. LLP is ₹ 5,62,912, which does not form part of the above figure.

The said fees have been reviewed and approved by the Audit Committee of the Board of the Bank and that of the concerned Subsidiary Companies of the Bank.

#### Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the year, the Bank has not raised any funds through preferential allotment or qualified institutions placement.

#### Disclosure in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment at Workplace and takes all necessary measures to ensure a harassment-free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity.

The following is the summary of sexual harassment complaints received and disposed off by the Bank, during the financial year 2018-19:

- i. Number of complaints of sexual harassment filed during the financial year - 51
- ii. Number of complaints disposed off during the financial year – 47
- iii. Number of cases pending as on the end of the financial year – 4

Number of workshops/awareness programme conducted against sexual harassment - 21

Nature of action taken by the Employer or District Officer – As per the Bank's Staff Rules.

The said Committee is empowered to take appropriate disciplinary action against the employee(s) who is found to have violated the norms prescribed under the said Policy.

#### Whistleblower Policy & Vigil Mechanism

A central tenet in the Bank's Policy on Corporate Governance is commitment to ethics, integrity, accountability and transparency. To ensure that the highest standards are maintained in these aspects on an on-going basis and to provide safeguards to various stakeholders, the Bank has formulated a Whistle-blower Policy and Vigil Mechanism which is in compliance with the relevant provisions of Section 177(9) of the Companies Act, 2013, Rules made thereunder and Regulation 4(2)(d) of the Listing Regulations. The Policy provides an opportunity to address serious concerns arising from irregularities, malpractices and other misdemeanours committed by the Bank's personnel by approaching a Committee set-up for the purpose (known as the Whistle-blower Committee). In case, Senior Management commits an offence, the Policy enables the Bank's staff to report the concerns directly to the Chairman of the Audit Committee of the Board. The Policy is intended to encourage reporting of suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviour or practices by staff without fear of retribution. This Policy can be used regularly as a tool to voice concerns on irregularities, malpractices and other misdemeanours.

To ensure smooth flow and management of complaints under Whistle-blower Policy, a web-based application - 'Corporate Whistle-blower' has been set up which also provides an option for anonymous reporting thereby enabling lodging of complaints online over a secure platform without fear of revelation of identity. This would create a business culture of honesty, integrity and compliance and would encourage speaking up so that preventive action is initiated.

It is hereby affirmed that the Bank has not denied any of its personnel access to the Chairman of the Audit Committee of the Board and that the Policy contains adequate provisions for protecting Whistle blowers from unfair termination and other unfair prejudicial and employment practices.

The Audit Committee of the Board has reviewed, on a quarterly basis, a synopsis of the complaints received and the resolution thereof under the said Policy.

The details of the Whistle-blower Policy and Vigil Mechanism are available on the Bank's website at <https://www.axisbank.com/code-commitment-customers.aspx>.

### Subsidiary Companies

As on 31<sup>st</sup> March 2019, the Bank does not have any unlisted Indian subsidiary company which could be deemed to be a material subsidiary, in terms of Regulation 16(1)(c) of the Listing Regulations. Further, the minutes of the meetings of the Board of all its unlisted subsidiary companies of the Bank are tabled at the meetings of the Board of the Bank, for its review. Also, the minutes of the meetings of the Audit Committee of the Board of unlisted subsidiary companies of the Bank are tabled at the meetings of the Audit Committee of the Bank for its review. The Statement of significant transactions / arrangements, if any, entered into by the unlisted subsidiary companies of the Bank are also tabled at the meetings of the Board of the Bank, for its review.

The Audit Committee also reviews the investments made by the Bank into its subsidiaries, exceeding ₹ 100 crore or 10% of the asset size of the concerned subsidiary company, whichever is lower, including existing investments.

### Policy for determining 'Material' Subsidiaries

As required under Regulation 16(1)(c) of the Listing Regulations, the Bank has formulated and adopted a Policy for determining 'Material' Subsidiaries, which has been hosted on its website at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>.

### Subsidiary Governance Unit

The Bank has eleven subsidiaries and one step down subsidiary offering a wide spectrum of financial products and services. The Bank has consistently focussed on an overarching governance mechanism for subsidiaries through a set of board approved oversight policies to ensure strategic and policy alignment across the group besides ensuring group level synergy. All matters relating to subsidiary governance is overseen by the Board and Board level Committees and operationalised under the aegis of Subsidiary Management Committee.

The Bank has put in place a comprehensive subsidiary engagement framework encompassing functional alignment areas viz. risk, compliance, audit, finance, human resources, information technology and legal as well as more integrative domains viz. cyber security, brand usage and marketing, corporate communication with the end objective of delivering 'One Axis' across the Group.

### Policy for Related Party Transactions

As required under Regulation 23 of the Listing Regulations, the Bank has formulated and adopted a Policy on dealing with Related Party Transactions, which has been hosted on its website at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report> and details thereof have been disclosed in the Annual Report.

### Directors and Officers insurance

The Bank has in place a Directors and Officers Liability Policy for all its Directors. The Policy covers management liability, company securities, investigation cost, non-executive Directors protection, investigation, extradition, outside directorship, bodily injury and property damage defence costs, assets and liberty etc.

### Prevention of Insider Trading

SEBI vide its notification dated on 31<sup>st</sup> December 2018, had amended certain provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations), which has come into effect from 1<sup>st</sup> April 2019. The Bank has accordingly, reviewed and amended the Share Dealing Code and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII) relating to the Bank, in line with the minimum standards prescribed under the respective Schedules to the Regulations.

### Secretarial Standards

The Bank is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, from time to time.

### Directors E-KYC

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014 mandated, KYC of all the Directors through the eform DIR-3 KYC. All Directors of the Bank have complied with the aforesaid requirement.

### **New Governance Norms**

The SEBI had constituted a Committee to review the existing Corporate Governance framework for listed companies in India. The Committee submitted its report to SEBI on 5<sup>th</sup> October 2017. The recommendations which are forward looking was notified by SEBI on 9<sup>th</sup> May 2018 and 10<sup>th</sup> May 2018. The report recommends myriad changes in the corporate governance norms, which is intended to improve the governance standards over a period of time. The Bank is in compliance with the said governance norms.

### **(3) DISCLOSURES**

There were no related party transactions which were of a materially significant nature undertaken by the Bank with its promoters, directors or management, their subsidiaries or relatives that may have a potential conflict with the interests of the Bank.

The Members of the Senior Management of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest and which may potentially conflict with the interest of the Bank at large.

There are no instances of non-compliance by the Bank or penalties and strictures imposed by the Stock Exchange(s) or SEBI or other statutory authorities on any matter related to capital markets during the last three years.

The Secretarial Auditor has certified that none of the Directors of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Bank by the SEBI/Ministry of Corporate Affairs or any other Statutory Authority. The said certificate is annexed to this Report.

### **(4) COMPLIANCE**

The Bank has complied with all the mandatory requirements, prescribed under the Listing Regulations relating to Corporate Governance.

The Bank has also adopted the non-mandatory requirements relating to maintenance of Chairman's Office at the Bank's expense and reimbursement of expenses incurred by the Non-Executive Chairman in performance of his duties, moving towards a regime of financial statements with unmodified audit opinion, separation of the office of the Chairman and Managing Director and the Chief Audit Executive directly reporting to the Audit Committee of the Board.

The Bank has obtained a certificate from M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai, (Registration No. 103523W/W100048) confirming that the Bank has complied with all the mandatory requirements as stipulated under the Listing Regulations relating to Corporate Governance. The said certificate is enclosed as annexure to the Directors' Report.

### **(5) CODE OF CONDUCT**

The Board has formulated and adopted Code of Conduct and Conflict of Interest Norms for the Board of Directors and the Code of Conduct and Ethics for the Employees and Senior Management of the Bank.

During the year, the said Codes have been reviewed by the Board of Directors of the Bank. The said Codes have been hosted on the website of the Bank viz. <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>.

A certificate issued by the Managing Director & CEO of the Bank confirming that all the Directors and Members of the Senior Management of the Bank have complied with the said Codes, is annexed to this Report.

## GENERAL SHAREHOLDER INFORMATION

[Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)]

### 25<sup>th</sup> Annual General Meeting

Day/ Date	Saturday, 20 <sup>th</sup> July 2019
Time	10.00 A.M.
Venue:	H.T. Parekh Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad 380 015, Gujarat.
Weblink for Webcast	<a href="http://www.evoting.karvy.com">www.evoting.karvy.com</a>

### Financial Year

The Bank follows the financial year starting from 1<sup>st</sup> April to 31<sup>st</sup> March, every year.

### Compliance Calendar

The schedule in respect of the meetings of the Board proposed to be held during the financial year 2019-20 to inter alia review and approve the unaudited / audited financial results of the Bank, in terms of Regulation 33(3)(a), (d) and (f) of the Listing Regulations, are as under:

Purpose	Venue	Tentative Date
Audited Annual Financial Results (standalone and consolidated) of the Bank, for the financial year ended 31 <sup>st</sup> March 2019	Corporate Office	April 2019
Unaudited Financial Results (standalone and consolidated) of the Bank, for the quarter ending 30 <sup>th</sup> June 2019	Corporate Office	Last week of July 2019
Unaudited Financial Results (standalone and consolidated) of the Bank, for the quarter / half year ending 30 <sup>th</sup> September 2019	Corporate Office	Fourth week of October 2019
Unaudited Financial Results (standalone and consolidated) of the Bank, for the quarter / nine months ending 31 <sup>st</sup> December 2019	Corporate Office	Fourth week of January 2020
Audited Annual Financial Results (standalone and consolidated) of the Bank, for the financial year ending 31 <sup>st</sup> March 2020	Corporate Office	Last week of April 2020

After the said financial results of the Bank are reviewed and approved by the Board, the same is disclosed to the Stock Exchange(s) within the prescribed time limits as stipulated under Regulation 30 read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations.

### Book Closure

Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014, the Register of Members and the Share Transfer Books of the Bank, will remain closed from Saturday, 6<sup>th</sup> July 2019 upto Saturday, 20<sup>th</sup> July 2019 (both days inclusive), for the purpose of 25<sup>th</sup> Annual General Meeting of the Bank.

### Dividend

The Board of Directors of the Bank at its Meeting held on 25<sup>th</sup> April 2019 has recommended payment of dividend of ₹ 1/- per equity share of ₹ 2/- each of the Bank, for the financial year ended 31<sup>st</sup> March 2019, for the approval of the Members at the 25<sup>th</sup> Annual General Meeting. The payment of dividend, if approved by the Members at the 25<sup>th</sup> Annual General Meeting, will commence from Monday, 22<sup>nd</sup> July 2019 and will be completed by Wednesday, 31<sup>st</sup> July 2019.

### Unclaimed Dividends

Pursuant to the provisions of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of unpaid dividends that are lying unclaimed for a period of 7 consecutive financial years from the date of its transfer to the unpaid dividend account, is liable to be transferred to the Investors'

Education & Protection Fund Authority (IEPF Authority). Accordingly, unclaimed dividend amounting to ₹ 53,75,468/- in respect of the financial year 2010-11 was transferred to the IEPF Authority on 13<sup>th</sup> August 2018. Further, please note that the unclaimed dividend in respect of the financial year 2011-12 must be claimed by the concerned shareholders on or before 27<sup>th</sup> July 2019, failing which it will be transferred to the IEPF Authority, in accordance with the said Rules.

The details of the unclaimed dividends as on 31<sup>st</sup> March 2019 and the last date for claiming the same, prior to its transfer to the IEPF Authority, are as under:

Financial year	No. of Shareholders	Unclaimed dividend as on 31 <sup>st</sup> March 2019 (In ₹)	% to total dividend declared	Total Amount of Dividend Declared (In ₹)	Date of declaration	Last date for claiming dividend prior to its transfer to the IEPF
2011-12	4,650	66,80,176	0.10	6,62,86,55,136	22-06-2012	27-07-2019
2012-13	3,826	65,62,080	0.08	8,44,07,35,212	19-07-2013	24-08-2020
2013-14	3,294	74,82,040	0.08	9,42,60,65,680	27-06-2014	01-08-2021
2014-15	6,666	95,48,151	0.09	10,92,77,37,078	24-07-2015	29-08-2022
2015-16	9,629	1,21,92,500	0.10	11,93,76,13,965	22-07-2016	28-08-2023
2016-17	10,315	1,40,34,780	0.12	11,98,58,43,545	26-07-2017	31-08-2024
2017-18			No Dividend Declared			
<b>Total</b>	<b>38,380</b>	<b>5,64,99,727</b>		<b>59,34,66,50,616</b>		

#### Transfer of Underlying Equity Shares in respect of the Unclaimed Dividends to the IEPF Authority Account

Pursuant to the notification of the relevant provisions of Sections 124 and 125 of the Companies Act, 2013 and the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the unclaimed dividend for the financial year 2010-11 and the underlying equity shares of the Bank, in respect of the said financial year (where the dividends for all the subsequent seven consecutive financial years have not been claimed by the concerned shareholders), were liable to be transferred by the Bank to the designated account of the IEPF Authority, in accordance with the said Rules.

Accordingly, pursuant to the notification of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017, issued by the Ministry of Corporate Affairs on 13<sup>th</sup> October 2017, as on 31<sup>st</sup> March 2019, the Bank has transferred 6,84,611 underlying equity shares of ₹ 2/- each of the Bank, in respect of the said unclaimed dividend, to the designated account of the IEPF Authority.

The unclaimed dividend(s) for the financial year 2010-11 and the said underlying equity shares can be claimed by the concerned shareholder(s) of the Bank from the IEPF Authority, subject to compliance with the procedures as prescribed under the said Rules and they may write to Karvy Fintech Pvt Ltd (Karvy) for any assistance, in this regard.

#### Unclaimed Dividends for FY 2011-12 upto 2017-18

The shareholder(s) of the Bank are requested to verify details of their unclaimed dividends in respect of the financial years from 2011-12 upto 2017-18 and lodge their claim with Karvy, prior to its transfer to the IEPF Authority, as aforesaid.

In case the unclaimed dividend for the financial year 2011-12 is not claimed on or before 27<sup>th</sup> July 2019, the said unclaimed dividend along with the underlying equity share(s) of the Bank in respect of the said financial year [where the dividends for all the subsequent seven consecutive financial years have not been claimed by the concerned shareholders] will be liable to be transferred by the Bank to the designated account of the IEPF Authority, in accordance with the said Rules.

#### Unclaimed Equity Shares

Schedule VI of the Listing Regulations, inter alia, requires every listed company to comply with certain procedures in respect of the equity shares issued by it in physical form pursuant to a public issue or any other issue and which have remained unclaimed for a period of seven consecutive financial years, for any reason whatsoever.



Details of the said unclaimed equity shares of the Bank, are as under:

Particulars	FY 2018-19	FY 2017-18
Aggregate number of shareholders at the beginning of the year	1	29
Total outstanding shares in Unclaimed Suspense Account at the beginning of the year	500	18,000
Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year	-	1
Number of shares transferred to the concerned shareholder from Unclaimed Suspense Account during the year	-	500
Aggregate number of shareholders at the end of the year	0	1
<b>Total outstanding shares in Unclaimed Suspense Account as on 31<sup>st</sup> March 2019.</b>	<b>0*</b>	<b>500</b>

\*Pursuant to the notification on the IEPF Second Amendment Rules, issued by the Ministry of Corporate Affairs dated 13<sup>th</sup> October 2017, the Bank has transferred 6,84,611 unclaimed equity shares of ₹ 2/- each of the Bank (including the balance 500 equity shares of ₹ 2/- each of the Bank, which were lying in the Unclaimed Suspense Account) to the designated account of the IEPF Authority, in accordance with the said Rules.

All corporate benefits accruing on the said equity shares viz. bonus shares, split, etc., if any, are also required to be credited to the designated account of the IEPF Authority. Further, voting rights on the said equity shares have been frozen till the concerned shareholder(s) of the Bank, claims the same.

#### **Guidelines to claim unclaimed Dividends/Shares:**

Unclaimed Dividends/Shares which have been transferred to the designated account of the IEPF Authority, in accordance with the said Rules, can be claimed by the Shareholders through the website of the IEPF Authority (<http://www.iepf.gov.in>). Please follow the steps detailed below:

- (i) Download the Form IEPF - 5 from the website of IEPF (<http://www.iepf.gov.in>). Read the instructions provided on the instructions kit along with the e-form carefully before filling the form.
- (ii) After filling the form save it on the computer and submit the duly filled form by following the instructions given in the upload link on the IEPF website.
- (iii) On successful uploading, the acknowledgment will be generated indicating the SRN. This SRN is to be used for future tracking of the form.
- (iv) After uploading the form, submit the following documents to Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from the IEPF Authority":
  - a) Self-attested copy of e-Form.
  - b) Indemnity Bond in original.
  - c) Copy of acknowledgment.
  - d) Other documents as mentioned in the Form IEPF-5.

The general information of the Bank, required for filing the aforesaid Form, are as under:

- i) Corporate Identification Number (CIN) of Company:- L65110GJ1993PLC020769
- ii) Name of the Company: Axis Bank Limited
- iii) Address of Registered Office of the Company: 'Trishul', 3<sup>rd</sup> Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad, Gujarat – 380 006.

## Equity Shares

The equity shares of the Bank are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The International Security Identification Number (ISIN) in respect of the said equity shares is INE238A01034. The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) are the Depositories for the equity shares of the Bank. The equity shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory / Statutory Authority.

Stock Exchange Codes	Reuters Codes	Bloomberg Codes
NSE – AXISBANK National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051. Website: <a href="http://www.nseindia.com">www.nseindia.com</a>	NSE - AXBK.NS	NSE - AXSB IS
BSE – 532215 BSE Limited 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001. Website: <a href="http://www.bseindia.com">www.bseindia.com</a>	BSE- AXISBANK.BO	BSE - AXSB IB

## Global Depository Receipts (GDR)

The Bank's GDRs are listed and traded on London Stock Exchange. The ISIN for the said GDRs is US05462W1099.

Stock Exchange	Code
London Stock Exchange 10 Paternoster Square, London EC4M 7LS, UK Website: <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>	AXB

## Bonds issued under Medium Term Note Programme (MTN Programme)

The Bonds issued by the Bank's MTN programme are listed and traded on Singapore Stock Exchange.

Stock Exchange	Code
Singapore Stock Exchange Singapore Exchange Securities Trading Limited (Attention: SGXNet Services, Operations) 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589 Website: <a href="http://www.sgx.com">www.sgx.com</a>	-

### Credits Ratings:

The details of the credit ratings obtained by the Bank, in respect of all debt instruments issued by it and outstanding as on 31<sup>st</sup> March 2019, are as under. There were no revision to the below mentioned ratings during the financial year 2018-19.

#### Credit ratings for the Debt Instruments outstanding, as on 31<sup>st</sup> March 2019

Sr. No.	Credit Rating Agency	Credit Rating	Sr. No.	Credit Rating Agency	Credit Rating
<b>1.</b>	<b>ICRA Ltd.</b>		<b>2.</b>	<b>CARE Ratings</b>	
	Certificate of Deposits	ICRA A1+		Tier II Bonds	CARE AAA
	Tier II Bonds	ICRA AAA		Infrastructure bond	CARE AAA
	Infrastructure bond	ICRA AAA		Tier II (Under Basel III)	CARE AAA
	Tier II (Under Basel III)	ICRA AAA			
	Tier I (Basel III Compliant)	ICRA AA+			
<b>3.</b>	<b>CRISIL</b>		<b>4.</b>	<b>India Rating</b>	
	Certificate of Deposits	CRISIL A1+		Tier II Bonds	IND AAA
	Infrastructure bond	CRISIL AAA		Tier II (Under Basel III)	IND AAA
	Tier II (Under Basel III)	CRISIL AAA		Tier I (Under Basel III)	IND AA+
	Tier I (Under Basel III)	CRISIL AA+			
<b>5.</b>	<b>MTN (Senior Unsecured) Rating</b>				
	Fitch	BBB-			
	Moody's	Baa3			
	S&P	BBB-			

### Listing Fees

The annual listing fees for the financial year 2018-19 have been paid by the Bank to the Stock Exchanges.

### Debt Securities

The debt instruments issued by the Bank in the form of Additional Tier I, Bond Tier II Debt Capital Instrument and Infrastructure Bonds on a private placement basis are listed on NSE and BSE. The Bonds issued by the Bank under the MTN programme are listed on Singapore Stock Exchange and the Green Bonds issued by the Bank are listed on London Stock Exchange.

### Debenture Trustees

#### IDBI Trusteeship Services Limited

Asian Building, Ground Floor,  
17, R. Kamani Marg,  
Ballard Estate, Mumbai - 400 001.  
Phone No. +91 - 22 4080 7000.  
Website: [www.idbitrustee.com](http://www.idbitrustee.com)

#### SBI Cap Trustee Company Limited

6<sup>th</sup> Floor, Apeejay House, 3,  
Dinshaw Wachha Road,  
Churchgate, Mumbai - 400 020.  
Phone No. +91 - 22 - 4302 5555.  
Website: [www.sbicaptrustee.com](http://www.sbicaptrustee.com)

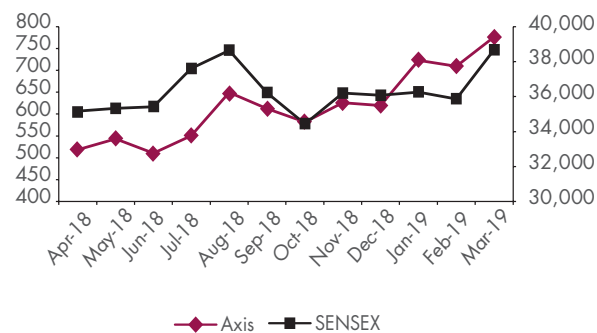
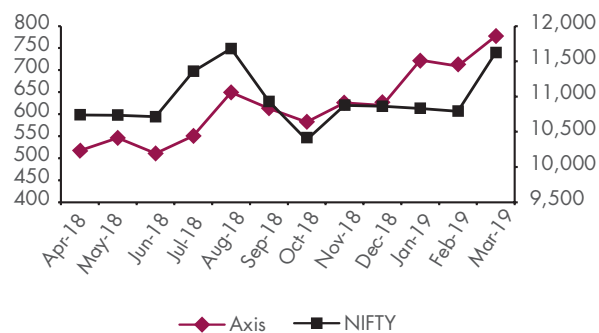
## Market Price Data

### a) Equity Shares

The price of the Bank's Share - High, Low as traded during the financial year 2018-19, on NSE and BSE, are as under:

Month	NSE			BSE		
	High (₹)	Low (₹)	No. of Shares traded	High (₹)	Low (₹)	No. of Shares traded
April, 2018	555.55	481.25	22,63,50,640	555.55	477.50	1,28,12,487
May, 2018	563.50	515.40	18,18,30,072	562.85	515.60	76,45,779
June, 2018	551.80	498.75	10,84,01,249	551.85	499.05	1,05,56,343
July, 2018	584.45	503.00	13,71,71,112	584.95	503.50	69,42,928
August, 2018	667.65	538.25	26,85,07,591	671.00	538.65	1,28,90,527
September, 2018	677.95	563.40	23,59,96,746	676.90	548.30	1,32,44,694
October, 2018	617.50	534.55	25,05,95,376	617.00	534.15	2,24,17,289
November, 2018	638.70	582.05	22,15,50,063	638.20	580.30	1,74,57,853
December, 2018	651.65	580.50	17,99,30,234	649.85	580.00	1,58,01,976
January, 2019	726.85	603.65	27,88,78,127	726.00	604.65	1,60,16,120
February, 2019	734.50	680.70	20,53,49,203	734.35	681.20	1,18,75,458
March, 2019	787.65	699.55	18,77,94,192	788.55	700.00	1,39,17,541

### GRAPH IN COMPARISON TO NIFTY & SENSEX



### b) GDR

The high and low closing prices of the Bank's GDRs as traded during the financial year 2018-19, on LSE, are as under:

Month	High (In USD)	Low (In USD)	No. of GDRs traded
April, 2018	56.60	48.60	2,771
May, 2018	50.90	47.70	2,364
June, 2018	50.90	43.10	2,057
July, 2018	46.25	39.65	1,906
August, 2018	45.10	40.50	3,065
September, 2018	40.80	36.20	3,667
October, 2018	45.67	40.50	3,366
November, 2018	47.30	39.10	3,620
December, 2018	42.40	36.60	2,371
January, 2019	40.75	36.25	3,348
February, 2019	41.45	37.60	2,450
March, 2019	42.40	36.05	2,611

### Dematerialization of Shares and Liquidity

The equity shares of the Bank are to be compulsorily traded on the floor of the stock exchanges in electronic form by all investors. The Bank has entered into agreements with NSDL and CDSL, so as to provide the Members an opportunity to hold and trade in equity shares of the Bank in electronic form.

As on 31<sup>st</sup> March 2019, 99.79% of the total issued and paid up equity share capital of the Bank was held by investors in electronic form and 0.21% of the total issued and paid up equity share capital was held in physical form.

The number of equity shares of the Bank held in physical form which were transferred / processed, during the last three financial years, are as under:

Particulars	2018-19	2017-18	2016-17
Number of transfer deeds	85	141	135
Number of equity shares transferred	61,500	34,000	38,500

As required under Regulation 40(9) of the Listing Regulations, M/s Ahalada Rao. V & Associates, Practicing Company Secretaries, (C. P. No. 11497), Hyderabad have examined the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on a half-yearly basis and has issued a certificate confirming compliance with the provisions of the said Regulations. The certificate has been submitted to the BSE and NSE where the Bank's equity shares are listed, in terms of the Listing Regulations.

### Distribution of Shareholding

The distribution of shareholding of the Bank as on 31<sup>st</sup> March 2019, is as under:

No. of shares held	Electronic Form		Physical Form		Total		
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	% to capital
1-5,000	3,35,975	5,90,82,622	6,018	52,02,606	3,41,993	6,42,85,228	2.50
5,001-10,000	1,345	96,70,080	17	1,20,800	1,362	97,90,880	0.38
10,001-20,000	724	1,03,04,440	7	93,900	731	1,03,98,340	0.40
20,001-30,000	278	68,24,964	1	25,000	279	68,49,964	0.27
30,001-40,000	173	60,64,284	1	36,000	174	61,00,284	0.24
40,001-50,000	114	51,62,805	1	45,000	115	52,07,805	0.20
50,001-1,00,000	314	2,26,39,584	0	0	314	2,26,39,584	0.88
1,00,001 and above	1,074	2,44,63,72,786	0	0	1,074	2,44,63,72,786	95.13
<b>Total</b>	<b>3,39,997</b>	<b>2,56,61,21,565</b>	<b>6,045</b>	<b>55,23,306</b>	<b>3,46,042</b>	<b>2,57,16,44,871</b>	<b>100</b>

## Shareholding pattern

Category wise shareholding pattern of the Bank as on 31<sup>st</sup> March 2019, is as under:

Sr. No.	Category / Shareholder	No. of Shares held	% of total issued & paid-up Capital
Promoters			
1	Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	13,68,87,639	5.32
2	Life Insurance Corporation of India	27,05,83,548	10.52
3	General Insurance Corporation of India	3,40,62,729	1.32
4	The New India Assurance Company Limited	2,05,91,585	0.80
5	National Insurance Company Limited	5,49,681	0.02
6	The Oriental Insurance Company Limited	49,97,520	0.19
7	United India Insurance Company Limited	3,24,076	0.01
Foreign Investors			
8	Overseas Investors (including FII/OCBs/NRIs)	1,33,62,98,583	51.95
9	Foreign Direct Investment (GDR)	6,83,38,285	2.66
Domestic Financial Institutions			
10	Financial Institutions / Mutual Funds / Banks / NBFC / AIF	44,42,47,174	17.27
11	Others	25,47,64,051	9.94
<b>Total</b>		<b>2,57,16,44,871</b>	<b>100.00</b>

Top 20 Shareholders of the Bank as on 31<sup>st</sup> March 2019, is as under:

Sr. No.	Name of the Shareholder	No. of Shares held	% to total issued & paid up capital
1.	Life Insurance Corporation of India	27,05,83,548	10.52%
2.	Administrator of The Specified Undertaking of the Unit Trust of India-Unit Scheme 1964	13,68,87,639	5.32%
3.	The Bank of New York Mellon, Dr	6,83,38,285	2.66%
4.	Europacific Growth Fund	6,46,12,400	2.51%
5.	BC Asia Investments VII Limited - FDI	5,56,00,000	2.16%
6.	ICICI Prudential Life Insurance Company Limited	4,95,74,333	1.93%
7.	Dodge and Cox International Stock Fund	4,15,85,425	1.62%
8.	General Insurance Corporation of India	3,40,62,729	1.32%
9.	Tybourne Equity Master Fund	3,34,24,039	1.30%
10.	Government of Singapore	3,31,96,379	1.29%
11.	Integral Investments South Asia IV - FDI	3,19,00,000	1.24%
12.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	2,81,76,629	1.10%
13.	Vanguard Total International Stock Index Fund	2,77,96,714	1.08%
14.	Tybourne Long Opportunities Master Fund	2,69,24,721	1.05%
15.	Government Pension Fund Global	2,33,86,837	0.91%
16.	The New India Assurance Company Limited	2,05,91,585	0.80%
17.	Ishares India Index Mauritius Company	1,97,59,355	0.77%
18.	Lazard Emerging Markets Equity Portfolio	1,97,38,440	0.77%
19.	Centaura Investments (Mauritius) Pte Ltd	1,91,76,611	0.75%
20.	Ishares Core Emerging Markets Mauritius Co	1,86,60,807	0.73%
<b>Total</b>		<b>1,02,39,76,476</b>	<b>39.82%</b>

## Outstanding GDR

The Bank has in the course of international offerings to overseas investors, issued securities linked to ordinary equity shares of the Bank in the form of Global Depository Receipts (GDRs) in March 2005, April 2005, July 2007 and September 2009. The said GDRs are listed for trading on London Stock Exchange. The underlying equity shares represent outstanding GDRs, which have been included in the equity share capital of the Bank. The number of equity shares representing outstanding GDRs, as on 31<sup>st</sup> March 2019 was 6,83,38,285.

Apart from the above, the Bank has not issued any ADRs/Warrants, during the financial year 2018-19.

## Convertible warrants

Convertible Warrants issued by the Bank during Financial Year 2017-18, are due for conversion within a period of 18 Months from its date of allotment i.e. on or before 18<sup>th</sup> June 2019. The allottees of the convertible warrants can exercise the option to convert one convertible warrant into one equity share of ₹ 2/- each of the Bank before the said due date subject to payment of the balance 75% of the consideration to the Bank. In the event, the said allottees do not exercise their right to convert the said warrants before the said due date, the said convertible warrants (to the extent not lodged for conversion) shall lapse and the upfront consideration paid by the warrant holders, shall stand forfeited by the Bank.

## Investor Services

Registrar & Share Transfer Agent (RTA)

Karvy has been entrusted with the task of administering all aspects relating to investor services. Karvy has appropriate systems to ensure that requisite service is provided to the investors of the Bank in accordance with applicable corporate and securities laws and within the adopted service standards. Listed below are the service standards adopted by Karvy in respect of the various services rendered to the investors of the Bank.

Nature of service being rendered to the Investors of the Bank	Adopted Service Standards
Registration of Nomination	5 days
Issue of duplicate dividend warrant(s)	5 days
Revalidation of dividend warrant(s)	5 days
Revalidation of demand draft(s)	5 days
Split/ consolidation of share certificate(s)	7 days
Dematerialization of share(s)	7 days
Transfer of share(s)	7 days
Transmission of share(s)	7 days
Consolidation of folio(s)	7 days
Change/Deletion/Transposition of Name(s)	7 days
Release of unclaimed share(s)	7 days
Re-materialization of share(s)	10 days
Issue of duplicate share certificate(s)	10 days

Investors are requested to write to the Registered Office of the Bank or to Karvy for availing any of the said services. In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, the designated email address for correspondence is [shareholders@axisbank.com](mailto:shareholders@axisbank.com) or [einward.ris@karvy.com](mailto:einward.ris@karvy.com).

The Company Secretary Department of the Bank has been entrusted with the task of attending to investor correspondences / complaints and ensuring its redressal in accordance with applicable laws and within the aforesaid service standards.

## Share Transfer System

In terms of Regulation 40(2) of the Listing Regulations, the Share Committee of the Bank comprising the Company Secretary and executives of Company Secretary Department of the Bank has been formed to attend to matters relating to transfer of equity shares of the Bank and matters related thereto. The resolutions passed by the Share Committee are tabled at the ensuing meeting of the Board of Directors of the Bank, for its noting.

## Investor Grievances

During the year under review, the Bank received 3,080 correspondences from its investors, capital market intermediaries and Statutory / Regulatory Authorities, inter alia, in respect of services relating to the securities issued by the Bank by post and through emails addressed to designated email address viz. [shareholders@axisbank.com](mailto:shareholders@axisbank.com) and [einward.ris@karvy.com](mailto:einward.ris@karvy.com).

The details of the investor complaints received and redressed by the Bank, during the last 3 financial years, are as under:

Received from	No. of complaints received			No. of complaints unresolved as on 31 <sup>st</sup> March 2019
	2018-19	2017-18	2016-17	
SEBI SCORES	10	7	8	-
Stock Exchanges	-	8	1	-
NSDL / CDSL	-	-	-	-
MCA and others	-	-	-	-
Total No. of complaints received	10	15	9	-
Total No. of complaints redressed	10	15	9	-

There was no investor complaint that was unresolved as on 1<sup>st</sup> April 2018. All the investor complaints received during the financial year 2018-19 were resolved and as such there was no investor complaint that was unresolved as on 31<sup>st</sup> March 2019.

The statement highlighting the status of the investor correspondence(s)/complaint(s) received and redressed by the Bank during the financial year 2018-19 were tabled at the quarterly meetings of the Board of Directors of the Bank, for its review and noting.

## Nomination Facility

Section 72 of the Companies Act, 2013, provides that every holder of securities of a company may, at any time nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death. Where the securities of a company are held by more than one person jointly, the joint holders may together nominate any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.

In view of the above, Shareholders may avail of the Nomination Facility. The relevant Nomination Form can be downloaded from the website of the Bank or the Shareholders may write to the Bank at its Registered Office or to Karvy, for the same.

Please note that the nomination shall be automatically rescinded on transfer / transmission / dematerialization of the securities.

## Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details with respect to commodity price risk in terms of SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15<sup>th</sup> November 2018 is as follows:

- 1) Risk management policy with respect to commodities including through hedging: As the Bank is not exposed to XAU (Gold) and XAG (Silver) price risk, the Bank does not have a Risk Management Policy for commodity price risk.
- 2) Exposure of the Bank to commodity and commodity risks faced by the Bank during the year is given below:
  - a) Total exposure of the listed entity to commodities: Nil as on 31<sup>st</sup> March 2019.



- b) Exposure of the listed entity to various commodities: Not Applicable.
- c) Commodity risks faced by the listed entity during the year and how they have been managed: The Bank did not run any trading positions in XAU (Gold) or XAG (Silver) and does not have exposure to any other commodity.

**Modes of making payment of Dividend through electronic mode:**

ECS Facility

Payment of Dividends through Electronic mode:

- In terms of Regulation 12 and Schedule I of Listing Regulations, every listed entity is required to mandatorily make all payments to Investors, including Dividend, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz., Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), National Automated Clearing House (NACH) etc. The Bank would be entitled to use the bank account details of the shareholders available with the Depository Participant to facilitate the electronic payment.

- In case of shares held in electronic form:

All shareholders of the Bank holding equity shares in electronic form are requested to provide details relating to, their Bank Account Number, including 9 digit MICR Code and 11 digit IFSC Code, E-mail ID and mobile No(s) to their Depository Participant(s).

- In case of shares held in physical form:

All shareholders of the Bank are requested to provide details relating to their Bank Account Number, indicating 9 digit MICR Code and 11 digit IFSC Code, E-mail ID and mobile No(s) to Karvy at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, by quoting their folio number and attaching a photocopy of the cheque leaf of the said Bank Account and a self-attested copy of their PAN card.

- In case the dividend paid through electronic mode is rejected by the corresponding bank, for any reason whatsoever, the Bank will issue a dividend warrant and print the Bank Account details available with Karvy on the said dividend warrant to avoid fraudulent encashment.

**Green initiatives****Dispatch of documents in Electronic Form**

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode including e-mail to those Members who have provided their e-mail address either to their Depository Participant (DP) or to the Company.

Further, in terms of Regulation 36 of the Listing Regulations, the listed entity is required to send soft copies of its annual report to all those shareholder(s) who have registered their email address(es) for this purpose.

Accordingly, the Notice dated 22<sup>nd</sup> May 2019, convening the 25<sup>th</sup> Annual General Meeting, the annual report of the Bank for the financial year 2018-19 and the annexures stated therein will be sent by e-mail to those Members who have registered their e-mail address with their DP or with Karvy.

Members who have not yet registered their e-mail address are requested to do so, at the earliest.

In case of shares held in electronic form and in case of any change in the e-mail address, Members are requested to update the same with their DP and in case of shares held in physical form, Members are requested to update the same with Karvy.

In case a Member, whose email address has changed, fails to update his new e-mail address, the said documents will be sent to the existing e-mail address and the said documents will be deemed to have been delivered, in compliance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations.

However, in case any Member wishes to receive a physical copy of the said documents, he is requested to write to [einward.ris@karvy.com](mailto:einward.ris@karvy.com) or [shareholders@axisbank.com](mailto:shareholders@axisbank.com) duly quoting his DP ID and Client ID or his Folio number, as the case may be, to enable the Bank to record his decision and provide physical copy of the said documents, free of cost.

Please note that the said documents will also be uploaded on the Bank's website viz. [www.axisbank.com](http://www.axisbank.com) and copies thereof will be made available for inspection at the Registered Office of the Bank during business hours on all working days except Saturdays, Sundays, Bank Holidays and Public Holidays up to the date of the ensuing AGM.

We seek your support to the said Green Initiative, as it is designed to protect our fragile environment.

### Means of Communication

After the financial results of the Bank are approved by the Board of Directors, they are disclosed to the Stock Exchanges, in accordance with Regulation 30 of the Listing Regulations read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations. Thereafter, the financial results of the Bank and the presentations made by the Senior Management to the Analysts / Investors are uploaded on the Bank's website, [www.axisbank.com](http://www.axisbank.com), in accordance with the Listing Regulations.

The financial results of the Bank are generally published in the Economic Times and Gujarat Samachar or Divya Bhaskar on the day after declaration of the financial results of the Bank.

For the ready reference of the investors of the Bank, a list of frequently asked questions and their answers have been uploaded on website of the Bank at <https://www.axisbank.com/shareholders-corner/investor-faqs>.

In order to enable a larger participation of shareholders for the Annual General Meeting, the Bank has provided Webcast facility for its 25<sup>th</sup> Annual General Meeting to be held on Saturday, 20<sup>th</sup> July 2019.

### General Body Meetings

The details of the last three Annual General Meetings, are as under:

AGM	Date and Day	Time	Location
22 <sup>nd</sup>	22 <sup>nd</sup> July 2016 – Friday	10.00 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015.
23 <sup>rd</sup>	26 <sup>th</sup> July 2017 – Wednesday	9.30 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015.
24 <sup>th</sup>	20 <sup>th</sup> June 2018 – Wednesday	10.00 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015.

### Special resolutions passed at previous three Annual General Meetings

The details of the special resolution(s) passed at the previous three Annual General Meetings, are as under:

AGM	Date of AGM	Special Resolution(s)
22 <sup>nd</sup>	22 <sup>nd</sup> July 2016	Resolution No. 18 – Borrowing / Raising funds in Indian/Foreign Currency by issue of debt instruments including but not limited to subordinated debt, senior unsecured long term bonds, green bonds, medium term notes, non-convertible debentures on a private placement basis, for an amount of upto ₹ 35,000 crore.
23 <sup>rd</sup>	26 <sup>th</sup> July 2017	Resolution No. 11 – Borrowing / Raising funds in Indian/Foreign Currency by issue of debt instruments including but not limited to subordinated debt, senior unsecured long term bonds, green bonds, medium term notes, non-convertible debentures on a private placement basis, for an amount of upto ₹ 35,000 crore.
24 <sup>th</sup>	20 <sup>th</sup> June 2018	Resolution No. 11 - Increase in the borrowing limits of the Bank upto ₹ 200,000 crore, under Section 180 (1) (c) of the Companies Act, 2013. Resolution No. 12 - Borrowing / Raising funds in Indian/Foreign Currency by issue of debt instruments including but not limited to subordinated debt, senior unsecured long term bonds, green bonds, medium term notes, non-convertible debentures on a private placement basis, for an amount of upto ₹ 35,000 crore.

### Procedure for Postal Ballot

In compliance with Sections 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank provides e-voting facility to all its Members to enable them to cast their votes electronically on the matters included in Postal Ballot Notice, instead of dispatching the Postal Ballot Form by post. E-voting is optional and all Members are eligible to vote by completing and dispatching the Postal Ballot Form by post, or through e-voting. The Bank has engaged the services of Karvy for the purpose of providing e-voting facility to all its Members.

The Board of Directors of the Bank appointed Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot exercise is conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014, as amended.

The Bank dispatches the Postal Ballot Notice and relevant forms along with postage prepaid business reply envelope to those Members whose names appear on the Register of Members / Statements of Beneficial Holders provided by the Depositories as on the cut-off date. The postal ballot notice is also sent in electronic form to those Members whose email address is registered with their DP in case shares are held in electronic form or with Karvy in case shares are held in physical form.

The Bank also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the aforesaid provisions of the Companies Act, 2013 and the said Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the said cut-off date. Members desiring to exercise their votes by physical postal ballot forms are required to return the forms duly completed and signed to the Scrutinizer at the address mentioned in the postage prepaid business reply envelope on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to exercise their vote using the e-voting facility before the close of business hours on the last date of e-voting as set out in the Postal Ballot Notice.

The Scrutinizer is required to submit his report to the Chairman, after verification of the records and thereafter the consolidated results of the voting can be declared by any one of the Directors of the Bank, duly authorised by the Board of Directors, in this regard.

Subsequently, the said results alongwith the report of the Scrutinizer is disclosed to the Stock Exchanges within 48 hours of such declaration, in terms of Regulation 44(3) of the Listing Regulations, uploaded on the website of the Bank and displayed on the notice board at the Registered and Corporate Offices of the Bank. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

No special resolution is proposed to be passed through postal ballot.

### Special Resolutions passed through postal ballot during the Financial Year 2018-19:

During the year under review, approval of Shareholders of the Bank was sought for the following matters, through postal ballot.

- (1) **[Resolution No. 1]** Re-appointment of Prof. Samir K. Barua (DIN: 00211077) as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019.
- (2) **[Resolution No. 2]** Re-appointment of Shri Som Mittal (DIN: 00074842) as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019.
- (3) **[Resolution No. 3]** Re-appointment of Shri Rohit Bhagat (DIN: 02968574) as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019.
- (4) **[Resolution No. 4]** Issuance of employee stock options, convertible into Equity Shares of ₹ 2/- each of the Bank, fully paid, to the eligible Employees/Whole Time Directors of the Bank.
- (5) **[Resolution No. 5]** Issuance of employee stock options, convertible into Equity Shares of ₹ 2/- each of the Bank, fully paid, to the eligible Employees/Whole Time Directors of the Subsidiary Companies of the Bank.

The Bank had appointed Shri Raghavendar Rao D., Practicing Company Secretary (Membership No. ACS 35788/C.P. No. 13407) as the Scrutinizer for conducting the e-voting process, in a fair and transparent manner.

The summary of the Postal Ballot results in respect of the said special resolutions, declared on 17<sup>th</sup> January 2019, are as under:

Resolution No. 1: Re-appointment of Prof. Samir K. Barua (DIN: 00211077) as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019.

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
2,02,63,96,814	2,17,27,922	98.9391%	1.0609%

Resolution No. 2: Re-appointment of Shri Som Mittal (DIN: 00074842) as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019:

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
2,03,95,26,299	85,98,417	99.5802%	0.4198%

Resolution No. 3: Re-appointment of Shri Rohit Bhagat (DIN: 02968574) as an Independent Director of the Bank, with effect from 1<sup>st</sup> April 2019.

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
2,03,95,25,868	85,98,716	99.5802%	0.4198%

Resolution No. 4: Issuance of employee stock options, convertible into Equity Shares of ₹ 2/- each of the Bank, fully paid, to the eligible Employees/Whole Time Directors of the Bank.

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
1,95,44,00,316	11,86,51,135	94.2765%	5.7235%

Resolution No. 5: Issuance of employee stock options, convertible into Equity Shares of ₹ 2/- each of the Bank, fully paid, to the eligible Employees/Whole Time Directors of the Subsidiary Companies of the Bank.

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
1,95,43,84,455	11,86,54,587	94.2763%	5.7237%

**Address for correspondence:**

Registered Office	Corporate Office	Registrar & Share Transfer Agent (RTA)
Axis Bank Limited [CIN:L65110GJ1993PLC020769] 'Trishul', 3 <sup>rd</sup> Floor, Opp. Samaratheshwar Temple, Law Garden, Ellisbridge, Ahmedabad, Gujarat – 380 006. Tel. No. : +9179-6630 6161 Fax No. : +9179-2640 9321 Email : <a href="mailto:shareholders@axisbank.com">shareholders@axisbank.com</a>	Axis Bank Limited 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra – 400 025. Tel. No. : +9122-2425 2525 Fax No. : +9122-2425 1800 Email : <a href="mailto:shareholders@axisbank.com">shareholders@axisbank.com</a>	M/s. Karvy Fintech Private Limited Unit: Axis Bank Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032. Tel. No. : +91 40-6716 2222 Fax No. : +91 40-2300 1153 Toll Free No. : 1800-345-4001 Email : <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>

**COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF  
BOARD OF DIRECTORS AND THE CODE OF CONDUCT AND ETHICS FOR SENIOR MANAGEMENT OF  
THE BANK, FOR THE FINANCIAL YEAR 2018-19**

I confirm that for the year under review, all Directors and Members of the Senior Management of the Bank have affirmed compliance with the Codes as applicable to them.

**Amitabh Chaudhry**  
Managing Director & CEO

Place : Mumbai  
Date : 26<sup>th</sup> April 2019

# Form No. MGT-9

Extract of Annual Return as on the Financial Year ended 31<sup>st</sup> March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014].

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L65110GJ1993PLC020769
ii)	Registration Date	3 <sup>rd</sup> December 1993
iii)	Name of the Company	Axis Bank Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	'Trishul' 3 <sup>rd</sup> Floor, Opp. Samaratheshwar Temple, Law Garden, Ellisbridge, Ahmedabad, Gujarat – 380 006. Phone: +91-79-6630 6161, Fax: +91-79-2640 9321 Email: shareholders@axisbank.com
vi)	Whether listed company – Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	<b>KARVY FINTECH PRIVATE LIMITED</b> Unit: Axis Bank Limited Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad 500032 Rangareddi Telangana Phone No. : 1800-345-4001 and +91-40-6716 2222 Fax No. : +91-40 - 2300 1153 Email: einward.ris@karvy.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE BANK

Sr. No.	Name and description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	<ul style="list-style-type: none"><li>Deposits</li><li>Loans</li><li>Investments and foreign exchange</li></ul>	Section K : Financial and Insurance activities Code : 64191	Not applicable

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Axis Capital Limited	Axis House, 8 <sup>th</sup> Floor, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U51900MH2005PLC157853	Subsidiary	99.99%	2(87)(ii)
2	Axis Private Equity Limited	Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U66020MH2006PLC165039	Subsidiary	99.99%	2(87)(ii)
3	Axis Trustee Services Limited	Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U74999MH2008PLC182264	Subsidiary	99.99%	2(87)(ii)

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	Axis Asset Management Company Limited	Axis House, 1 <sup>st</sup> Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U65991MH2009PLC189558	Subsidiary	74.99%	2(87)(ii)
5	Axis Mutual Fund Trustee Limited	Axis House, 1 <sup>st</sup> Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U66020MH2009PLC189325	Subsidiary	74.86%	2(87)(ii)
6	Axis Finance Limited	Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai - 400 025	U65921MH1995PLC212675	Subsidiary	99.99%	2(87)(ii)
7	Axis Securities Limited	Axis House, 8 <sup>th</sup> Floor, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U74992MH2006PLC163204	Subsidiary	99.99%	2(87)(ii)
8	Axis Bank UK Limited	4 Chilswell street, 1 <sup>st</sup> Floor, London England, EC1Y 4 UP	Foreign Company (07554558)	Subsidiary	100%	2(87)(ii)
9	A.TREDS Limited	Axis House, C-2 Wadia International Centre, P B Marg, Worli, Mumbai - 400 025	U74999MH2016PLC281452	Subsidiary	67%	2(87)(ii)
10	Freecharge Payment Technologies Private Limited	2 <sup>nd</sup> Floor, Plot No. 25, Pusa Road, New Delhi-110005	U74140DL2015PTC275419	Subsidiary	100%	2(87)(ii)
11	Accelyst Solutions Private Limited	1 <sup>st</sup> floor, Corporate Park-2, Sion - Trombay Road, Near Swastik Chambers, Chembur, Mumbai - 400071	U72900MH2008PTC185202	Subsidiary	100%	2(87)(ii)
12	Axis Capital USA, LLC.	1675 South State Street, Suite B, Dover, County of Kent, Delaware -19901	Foreign Company	Step down Subsidiary	100% held by Axis Capital Limited	2(87)(ii)

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	<b>Promoter and Promoter Group</b>									
-1	<b>Indian</b>									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(C)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(e)	Financial Institutions / Banks	67,64,66,421	-	67,64,66,421	26.36	46,79,96,778	-	46,79,96,778	18.20	8.16
(f)	Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1) :</b>	<b>67,64,66,421</b>		<b>67,64,66,421</b>	<b>26.36</b>	<b>46,79,96,778</b>		<b>46,79,96,778</b>	<b>18.20</b>	<b>8.16</b>
<b>-2</b>	<b>Foreign</b>									
(a)	NRIs/Foreign Individuals	-	-	-	-	-	-	-	-	-
(b)	Others - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>67,64,66,421</b>	<b>0</b>	<b>67,64,66,421</b>	<b>26.36</b>	<b>46,79,96,778</b>	<b>0</b>	<b>46,79,96,778</b>	<b>18.20</b>	<b>8.16</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>-1</b>	<b>Institutions</b>									
(a)	Mutual Funds	21,24,81,779	-	21,24,81,779	8.28	38,41,94,826	-	38,41,94,826	14.94	-6.66
(b)	Banks / Financial Institutions	23,30,483	-	23,30,483	0.09	25,23,036	500	25,23,536	0.10	-0.01
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	2,64,29,435	-	2,64,29,435	1.03	5,35,25,902	-	5,35,25,902	2.08	-1.05
(g)	Foreign Institutional Investors	1,22,31,30,379	-	1,22,31,30,379	47.66	1,24,22,17,871	-	1,24,22,17,871	48.30	-0.65
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (Specify)	8,75,50,610	0	8,75,50,610	3.41	9,14,81,403	0	9,14,81,403	3.56	-0.15
	<b>Sub-Total B(1) :</b>	<b>1,55,19,22,686</b>	<b>0</b>	<b>1,55,19,22,686</b>	<b>60.47</b>	<b>1,77,39,43,038</b>	<b>500</b>	<b>1,77,39,43,538</b>	<b>68.98</b>	<b>-8.51</b>
<b>-2</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	6,36,28,325	65,500	6,36,93,825	2.48	9,42,79,671	16,000	9,42,95,671	3.67	-1.19
	i. Indian	-	-	-	-	-	-	-	-	-
	ii. Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	7,97,13,802	68,03,251	8,65,17,053	3.37	7,86,77,198	55,04,806	8,41,82,004	3.27	0.10
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	4,76,19,236	-	4,76,19,236	1.86	4,35,12,538	-	4,35,12,538	1.69	0.16
(c)	Others									
	HUF	11,41,119	-	11,41,119	0.04	11,73,199	-	11,73,199	0.05	0.00



Category Code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	Trusts	1,52,44,722	-	1,52,44,722	0.59	2,07,70,451	-	2,07,70,451	0.81	-0.21
	Clearing Members	29,94,530	-	29,94,530	0.12	1,08,71,576	-	1,08,71,576	0.42	-0.31
	Non Resident Indians	28,22,656	-	28,22,656	0.11	29,12,269	2,000	29,14,269	0.11	0.00
	Nri Non-Repatriation	15,81,976	-	15,81,976	0.06	23,52,784	-	23,52,784	0.09	-0.03
	Foreign Bodies-Dr	6,55,836	-	6,55,836	0.03	6,08,417	-	6,08,417	0.02	0.01
	Foreign Nationals	750	-	750	0.00	750	-	750	0.00	0.00
	IEPF	5,35,446	-	5,35,446	0.02	6,84,611	-	6,84,611	0.03	-0.01
	<b>Sub-Total B(2) :</b>	<b>21,59,38,398</b>	<b>68,68,751</b>	<b>22,28,07,149</b>	<b>8.68</b>	<b>25,58,43,464</b>	<b>55,22,806</b>	<b>26,13,66,270</b>	<b>10.16</b>	<b>-1.46</b>
	<b>Total B=B(1)+B(2):</b>	<b>1,76,78,61,084</b>	<b>68,68,751</b>	<b>1,77,47,29,835</b>	<b>69.15</b>	<b>2,02,97,86,502</b>	<b>55,23,306</b>	<b>2,03,53,09,808</b>	<b>79.14</b>	<b>-9.97</b>
(C)	<b>Shares held by custodian for GDR</b>									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	11,53,42,680	-	11,53,42,680	4.49	6,83,38,285	-	6,83,38,285	2.66	1.84
	<b>Total C:</b>	<b>11,53,42,680</b>		<b>11,53,42,680</b>	<b>4.49</b>	<b>6,83,38,285</b>		<b>6,83,38,285</b>	<b>2.66</b>	<b>1.84</b>
	<b>Grand Total (A+B+C) :</b>	<b>2,55,96,70,185</b>	<b>68,68,751</b>	<b>2,56,65,38,936</b>	<b>100.00</b>	<b>2,56,61,21,565</b>	<b>55,23,306</b>	<b>2,57,16,44,871</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding beginning of the year 31/03/2018			Shareholding end of the year 31/03/2019			% change in Share holding during the year
		No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total Shares	
1	Administrator of the Specified Undertaking of the Unit Trust of India - SUUTI	25,32,70,690	9.87	-	13,68,87,639	5.32	-	(4.55)
2	Life Insurance Corporation of India	34,94,51,108	13.62	-	27,05,83,548	10.52	-	(3.10)
3	General Insurance Corporation of India	3,72,50,000	1.45	-	3,40,62,729	1.32	-	(0.13)
4	The New India Assurance Company Limited	2,54,03,585	0.99	-	2,05,91,585	0.80	-	(0.19)
5	National Insurance Company Limited	21,34,681	0.08	-	5,49,681	0.02	-	(0.06)
6	The Oriental Insurance Company Limited	63,30,020	0.25	-	49,97,520	0.19	-	(0.06)
7	United India Insurance Company Limited	26,26,337	0.10	-	3,24,076	0.01	-	(0.09)
	<b>Total</b>	<b>67,64,66,421</b>	<b>26.36</b>	<b>-</b>	<b>46,79,96,778</b>	<b>18.18</b>	<b>-</b>	<b>(8.18)</b>

### iii. Change in Promoters' Shareholding

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Life Insurance Corporation of India	<b>34,94,51,108</b>	<b>13.62</b>	<b>31-03-2018</b>			<b>34,94,51,108</b>	<b>13.62</b>
				01-06-2018	-28,13,587	Transfer	34,66,37,521	13.50
				08-06-2018	-57,91,402	Transfer	34,08,46,119	13.27
				15-06-2018	-51,47,386	Transfer	33,56,98,733	13.07
				22-06-2018	-20,300	Transfer	33,56,78,433	13.07
				19-10-2018	-5,32,392	Transfer	33,51,46,041	13.04
				26-10-2018	-78,37,967	Transfer	32,73,08,074	12.74
				02-11-2018	-79,82,417	Transfer	31,93,25,657	12.43
				09-11-2018	-28,23,826	Transfer	31,65,01,831	12.32
				16-11-2018	-16,00,151	Transfer	31,49,01,680	12.25
				23-11-2018	-30,80,810	Transfer	31,18,20,870	12.13
				30-11-2018	-54,70,660	Transfer	30,63,50,210	11.92
				07-12-2018	-57,43,424	Transfer	30,06,06,786	11.70
				14-12-2018	-39,27,193	Transfer	29,66,79,593	11.54
				21-12-2018	-49,04,436	Transfer	29,17,75,157	11.35
				28-12-2018	-30,24,090	Transfer	28,87,51,067	11.24
				31-12-2018	-7,16,200	Transfer	28,80,34,867	11.21
				04-01-2019	-41,31,319	Transfer	28,39,03,548	11.05
				08-03-2019	-15,24,538	Transfer	28,23,79,010	10.98
				15-03-2019	-52,50,459	Transfer	27,71,28,551	10.78
		22-03-2019	-32,40,319	Transfer	27,38,88,232	10.65		
		29-03-2019	-33,04,684	Transfer	27,05,83,548	10.52		
		<b>27,05,83,548</b>	<b>10.52</b>	<b>31-03-2019</b>		<b>27,05,83,548</b>	<b>10.52</b>	
2	Administrator of the Specified Undertaking of the Unit Trust of India - SUUTI	<b>25,32,70,690</b>	<b>9.87</b>	<b>31-03-2018</b>			<b>25,32,70,690</b>	<b>9.87</b>
				15-06-2018	-1,62,36,947	Transfer	23,70,33,743	9.23
				06-07-2018	16,84,196	Transfer	23,87,17,939	9.30
				15-02-2019	-7,70,97,136	Transfer	16,16,20,803	6.29
				22-02-2019	-2,47,33,164	Transfer	13,68,87,639	5.32
		<b>13,68,87,639</b>	<b>5.32</b>	<b>31-03-2019</b>		<b>13,68,87,639</b>	<b>5.32</b>	
3	General Insurance Corporation of India	<b>3,72,50,000</b>	<b>1.45</b>	<b>31-03-2018</b>			<b>3,72,50,000</b>	<b>1.45</b>
				20-04-2018	-20,000	Transfer	3,72,30,000	1.45
				11-05-2018	-40,000	Transfer	3,71,90,000	1.45
				18-05-2018	-1,20,000	Transfer	3,70,70,000	1.44
				08-06-2018	-70,000	Transfer	3,70,00,000	1.44
				29-06-2018	-56,029	Transfer	3,69,43,971	1.44
				03-08-2018	-1,47,651	Transfer	3,67,96,320	1.43
				10-08-2018	-2,96,320	Transfer	3,65,00,000	1.42

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				17-08-2018	-4,00,000	Transfer	3,61,00,000	1.41
				24-08-2018	-1,25,000	Transfer	3,59,75,000	1.40
				07-09-2018	-1,55,000	Transfer	3,58,20,000	1.39
				14-09-2018	-3,66,198	Transfer	3,54,53,802	1.38
				21-09-2018	-1,17,500	Transfer	3,53,36,302	1.38
				09-11-2018	-2,00,000	Transfer	3,51,36,302	1.37
				23-11-2018	-52,255	Transfer	3,50,84,047	1.37
				30-11-2018	-4,84,047	Transfer	3,46,00,000	1.35
				07-12-2018	-3,61,414	Transfer	3,42,38,586	1.33
				11-01-2019	-1,50,000	Transfer	3,40,88,586	1.33
				18-01-2019	-4,47,295	Transfer	3,36,41,291	1.31
				25-01-2019	-1,02,705	Transfer	3,35,38,586	1.30
				08-02-2019	-4,97,035	Transfer	3,30,41,551	1.29
				15-02-2019	10,21,178	Transfer	3,40,62,729	1.33
		<b>3,40,62,729</b>	<b>1.32</b>	<b>31-03-2019</b>			<b>3,40,62,729</b>	<b>1.32</b>
<b>4</b>	<b>The New India Assurance Company Limited</b>	<b>2,54,03,585</b>	<b>0.99</b>	<b>31-03-2018</b>			<b>2,54,03,585</b>	<b>0.99</b>
				01-06-2018	-25,000	Transfer	2,53,78,585	0.99
				08-06-2018	-1,90,000	Transfer	2,51,88,585	0.98
				15-06-2018	-1,10,000	Transfer	2,50,78,585	0.98
				22-06-2018	-50,000	Transfer	2,50,28,585	0.97
				29-06-2018	-20,000	Transfer	2,50,08,585	0.97
				13-07-2018	-1,30,000	Transfer	2,48,78,585	0.97
				03-08-2018	-86,671	Transfer	2,47,91,914	0.97
				10-08-2018	-4,74,802	Transfer	2,43,17,112	0.95
				17-08-2018	-1,48,527	Transfer	2,41,68,585	0.94
				24-08-2018	-2,15,000	Transfer	2,39,53,585	0.93
				31-08-2018	-1,75,000	Transfer	2,37,78,585	0.93
				07-09-2018	-1,30,000	Transfer	2,36,48,585	0.92
				14-09-2018	-2,48,000	Transfer	2,34,00,585	0.91
				21-09-2018	-12,000	Transfer	2,33,88,585	0.91
				28-09-2018	-1,70,000	Transfer	2,32,18,585	0.90
				23-11-2018	-50,000	Transfer	2,31,68,585	0.90
				30-11-2018	-1,50,000	Transfer	2,30,18,585	0.90
				07-12-2018	-38,000	Transfer	2,29,80,585	0.89
				14-12-2018	-19,000	Transfer	2,29,61,585	0.89
				21-12-2018	-2,15,000	Transfer	2,27,46,585	0.89
				28-12-2018	-90,000	Transfer	2,26,56,585	0.88
				18-01-2019	-3,70,223	Transfer	2,22,86,362	0.87
				25-01-2019	-2,22,777	Transfer	2,20,63,585	0.86

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				01-02-2019	-2,07,000	Transfer	2,18,56,585	0.85
				08-02-2019	-3,47,600	Transfer	2,15,08,985	0.84
				15-02-2019	-2,62,400	Transfer	2,12,46,585	0.83
				22-02-2019	-2,25,000	Transfer	2,10,21,585	0.82
				08-03-2019	-3,00,000	Transfer	2,07,21,585	0.81
				15-03-2019	-1,30,000	Transfer	2,05,91,585	0.80
		<b>2,05,91,585</b>	<b>0.80</b>	<b>31-03-2019</b>			<b>2,05,91,585</b>	<b>0.80</b>
<b>5</b>	<b>The Oriental Insurance Company Limited</b>	<b>63,30,020</b>	<b>0.25</b>	<b>31-03-2018</b>			<b>63,30,020</b>	<b>0.25</b>
				21-12-2018	-30,000	Transfer	63,00,020	0.25
				28-12-2018	-1,20,000	Transfer	61,80,020	0.24
				31-12-2018	-40,000	Transfer	61,40,020	0.24
				04-01-2019	-45,000	Transfer	60,95,020	0.24
				11-01-2019	-75,000	Transfer	60,20,020	0.23
				18-01-2019	-75,000	Transfer	59,45,020	0.23
				25-01-2019	-80,000	Transfer	58,65,020	0.23
				01-02-2019	-1,20,000	Transfer	57,45,020	0.22
				08-02-2019	-1,00,000	Transfer	56,45,020	0.22
				15-02-2019	-52,500	Transfer	55,92,520	0.22
				22-02-2019	-80,000	Transfer	55,12,520	0.21
				01-03-2019	-1,45,000	Transfer	53,67,520	0.21
				08-03-2019	-96,000	Transfer	52,71,520	0.21
				15-03-2019	-1,14,000	Transfer	51,57,520	0.20
				22-03-2019	-80,000	Transfer	50,77,520	0.20
		<b>49,97,520</b>	<b>0.19</b>	<b>29-03-2019</b>	<b>-80,000</b>		<b>49,97,520</b>	<b>0.19</b>
<b>6</b>	<b>United India Insurance Company Limited</b>	<b>26,26,337</b>	<b>0.10</b>	<b>31-03-2018</b>			<b>26,26,337</b>	<b>0.10</b>
				06-04-2018	30,487	Transfer	26,56,824	0.10
				13-04-2018	50,000	Transfer	27,06,824	0.11
				27-04-2018	40,000	Transfer	27,46,824	0.11
				04-05-2018	40,000	Transfer	27,86,824	0.11
				24-08-2018	-89,747	Transfer	26,97,077	0.11
				31-08-2018	-99,382	Transfer	25,97,695	0.10
				07-09-2018	-96,864	Transfer	25,00,831	0.10
				14-09-2018	-80,000	Transfer	24,20,831	0.09
				21-09-2018	-85,000	Transfer	23,35,831	0.09
				28-09-2018	-1,15,000	Transfer	22,20,831	0.09
				02-11-2018	-20,000	Transfer	22,00,831	0.09
				09-11-2018	-40,000	Transfer	21,60,831	0.08
				16-11-2018	-1,15,000	Transfer	20,45,831	0.08
				23-11-2018	-67,000	Transfer	19,78,831	0.08

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				30-11-2018	-97,904	Transfer	18,80,927	0.07
				07-12-2018	-96,000	Transfer	17,84,927	0.07
				14-12-2018	-50,000	Transfer	17,34,927	0.07
				21-12-2018	-95,000	Transfer	16,39,927	0.06
				28-12-2018	-77,000	Transfer	15,62,927	0.06
				04-01-2019	-40,000	Transfer	15,22,927	0.06
				11-01-2019	-1,15,000	Transfer	14,07,927	0.05
				18-01-2019	-1,35,000	Transfer	12,72,927	0.05
				25-01-2019	-1,49,042	Transfer	11,23,885	0.04
				01-02-2019	-1,60,000	Transfer	9,63,885	0.04
				08-02-2019	-1,40,000	Transfer	8,23,885	0.03
				15-02-2019	-99,809	Transfer	7,24,076	0.03
				22-02-2019	-75,000	Transfer	6,49,076	0.03
				01-03-2019	-2,50,000	Transfer	3,99,076	0.02
				08-03-2019	-75,000	Transfer	3,24,076	0.01
		<b>3,24,076</b>	<b>0.01</b>	<b>31-03-2019</b>		<b>Transfer</b>	<b>3,24,076</b>	<b>0.01</b>
<b>7</b>	<b>National Insurance Company Ltd</b>	<b>21,34,681</b>	<b>0.08</b>	<b>31-03-2018</b>			<b>21,34,681</b>	<b>0.08</b>
				18-05-2018	-2,50,000	Transfer	18,84,681	0.07
				10-08-2018	-4,25,000	Transfer	14,59,681	0.06
				17-08-2018	-1,75,000	Transfer	12,84,681	0.05
				24-08-2018	-85,000	Transfer	11,99,681	0.05
				31-08-2018	-85,000	Transfer	11,14,681	0.04
				07-09-2018	-55,000	Transfer	10,59,681	0.04
				21-09-2018	-20,000	Transfer	10,39,681	0.04
				16-11-2018	-1,30,000	Transfer	9,09,681	0.04
				11-01-2019	-50,000	Transfer	8,59,681	0.03
				08-02-2019	-2,50,000	Transfer	6,09,681	0.02
				15-02-2019	-35,000	Transfer	5,74,681	0.02
				08-03-2019	-25,000	Transfer	5,49,681	0.02
		<b>21,34,681</b>	<b>0.02</b>	<b>31-03-2019</b>			<b>5,49,681</b>	<b>0.02</b>

iv) Shareholding pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Oakmark International Fund	<b>8,40,27,467</b>	<b>3.27</b>	<b>31-03-2018</b>			<b>8,40,27,467</b>	<b>3.27</b>
				17-08-2018	-40,00,900	Transfer	8,00,26,567	3.12
				24-08-2018	-73,17,700	Transfer	7,27,08,867	2.83
				31-08-2018	-42,25,200	Transfer	6,84,83,667	2.67
				07-09-2018	-19,86,702	Transfer	6,64,96,965	2.59
				14-09-2018	-13,84,198	Transfer	6,51,12,767	2.53
				21-09-2018	-19,44,700	Transfer	6,31,68,067	2.46
				28-09-2018	-14,00,500	Transfer	6,17,67,567	2.40
				19-10-2018	-3,01,900	Transfer	6,14,65,667	2.39
				26-10-2018	-12,60,000	Transfer	6,02,05,667	2.34
				09-11-2018	-28,54,900	Transfer	5,73,50,767	2.23
				16-11-2018	-27,55,600	Transfer	5,45,95,167	2.12
				23-11-2018	-28,59,300	Transfer	5,17,35,867	2.01
				30-11-2018	-67,43,300	Transfer	4,49,92,567	1.75
				07-12-2018	-26,20,700	Transfer	4,23,71,867	1.65
				14-12-2018	-1,09,89,500	Transfer	3,13,82,367	1.22
				21-12-2018	-56,79,400	Transfer	2,57,02,967	1.00
				28-12-2018	-35,39,500	Transfer	2,21,63,467	0.86
				04-01-2019	-32,67,200	Transfer	1,88,96,267	0.74
				11-01-2019	-2,18,600	Transfer	1,86,77,667	0.73
		25-01-2019	-13,11,300	Transfer	1,73,66,367	0.68		
		<b>1,73,66,367</b>	<b>0.68</b>	<b>31-03-2019</b>			<b>1,73,66,367</b>	<b>0.68</b>
2	Dodge and Cox International Stock Fund	<b>7,94,50,400</b>	<b>3.10</b>	<b>31-03-2018</b>			<b>7,94,50,400</b>	<b>3.10</b>
				04-05-2018	20,00,000	Transfer	8,14,50,400	3.17
				25-05-2018	9,41,000	Transfer	8,23,91,400	3.21
				01-06-2018	6,82,626	Transfer	8,30,74,026	3.24
				22-06-2018	9,607	Transfer	8,30,83,633	3.24
				06-07-2018	3,892	Transfer	8,30,87,525	3.24
				30-11-2018	-64,86,884	Transfer	7,66,00,641	2.98
				07-12-2018	-46,38,716	Transfer	7,19,61,925	2.80
				21-12-2018	-39,96,000	Transfer	6,79,65,925	2.64
				28-12-2018	-33,52,200	Transfer	6,46,13,725	2.51
				31-12-2018	-17,03,300	Transfer	6,29,10,425	2.45
				04-01-2019	-5,58,000	Transfer	6,23,52,425	2.43
				11-01-2019	-34,68,800	Transfer	5,88,83,625	2.29
				18-01-2019	-41,93,356	Transfer	5,46,90,269	2.13
		25-01-2019	-23,56,644	Transfer	5,23,33,625	2.04		

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				15-02-2019	-30,00,500	Transfer	4,93,33,125	1.92
				22-02-2019	-14,43,539	Transfer	4,78,89,586	1.86
				01-03-2019	-54,04,161	Transfer	4,24,85,425	1.65
				22-03-2019	-8,95,948	Transfer	4,15,89,477	1.62
				29-03-2019	-4,052	Transfer	4,15,85,425	1.62
		<b>4,15,85,425</b>	<b>1.62</b>	<b>31-03-2019</b>			<b>4,15,85,425</b>	<b>1.62</b>
<b>3</b>	<b>Europacific Growth Fund</b>	<b>6,55,87,857</b>	<b>2.56</b>	<b>31-03-2018</b>			<b>6,55,87,857</b>	<b>2.56</b>
				10-08-2018	24,50,970	Transfer	6,80,38,827	2.65
				31-08-2018	9,99,030	Transfer	6,90,37,857	2.69
				08-02-2019	-44,25,457	Transfer	6,46,12,400	2.51
		<b>6,46,12,400</b>	<b>2.51</b>	<b>31-03-2019</b>			<b>6,46,12,400</b>	<b>2.51</b>
<b>4</b>	<b>SBI Arbitrage Opportunities Fund</b>	<b>1,85,63,971</b>	<b>0.72</b>	<b>31-03-2018</b>			<b>1,85,63,971</b>	<b>0.72</b>
				06-04-2018	12,10,840	Transfer	1,97,74,811	0.77
				13-04-2018	61,452	Transfer	1,98,36,263	0.77
				13-04-2018	-8,27,340	Transfer	1,90,08,923	0.74
				20-04-2018	1,51,060	Transfer	1,91,59,983	0.75
				20-04-2018	-55,200	Transfer	1,91,04,783	0.74
				27-04-2018	1,92,097	Transfer	1,92,96,880	0.75
				04-05-2018	18,80,324	Transfer	2,11,77,204	0.82
				11-05-2018	18,23,778	Transfer	2,30,00,982	0.90
				11-05-2018	-7,00,000	Transfer	2,23,00,982	0.87
				18-05-2018	1,84,823	Transfer	2,24,85,805	0.88
				18-05-2018	-48,000	Transfer	2,24,37,805	0.87
				25-05-2018	1,49,399	Transfer	2,25,87,204	0.88
				01-06-2018	51,664	Transfer	2,26,38,868	0.88
				01-06-2018	-5,47,570	Transfer	2,20,91,298	0.86
				08-06-2018	6,03,244	Transfer	2,26,94,542	0.88
				08-06-2018	-55,200	Transfer	2,26,39,342	0.88
				15-06-2018	1,24,252	Transfer	2,27,63,594	0.89
				22-06-2018	25,50,000	Transfer	2,53,13,594	0.99
				22-06-2018	-80,863	Transfer	2,52,32,731	0.98
				29-06-2018	9,01,600	Transfer	2,61,34,331	1.02
				29-06-2018	-7,02,565	Transfer	2,54,31,766	0.99
				06-07-2018	3,42,925	Transfer	2,57,74,691	1.00
				13-07-2018	1,42,832	Transfer	2,59,17,523	1.01
				13-07-2018	-9,053	Transfer	2,59,08,470	1.01
				20-07-2018	1,23,419	Transfer	2,60,31,889	1.01
				27-07-2018	2,55,184	Transfer	2,62,87,073	1.02
				27-07-2018	-233	Transfer	2,62,86,840	1.02

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				03-08-2018	3,86,278	Transfer	2,66,73,118	1.04
				03-08-2018	-32,851	Transfer	2,66,40,267	1.04
				10-08-2018	7,56,503	Transfer	2,73,96,770	1.07
				10-08-2018	-3,927	Transfer	2,73,92,843	1.07
				17-08-2018	11,62,827	Transfer	2,85,55,670	1.11
				24-08-2018	15,06,665	Transfer	3,00,62,335	1.17
				31-08-2018	2,87,539	Transfer	3,03,49,874	1.18
				31-08-2018	-1,654	Transfer	3,03,48,220	1.18
				07-09-2018	5,14,947	Transfer	3,08,63,167	1.20
				07-09-2018	-183	Transfer	3,08,62,984	1.20
				14-09-2018	26,43,814	Transfer	3,35,06,798	1.30
				14-09-2018	-6,70,836	Transfer	3,28,35,962	1.28
				21-09-2018	1,71,688	Transfer	3,30,07,650	1.28
				28-09-2018	8,21,047	Transfer	3,38,28,697	1.32
				28-09-2018	-2,07,760	Transfer	3,36,20,937	1.31
				05-10-2018	14,69,056	Transfer	3,50,89,993	1.37
				12-10-2018	11,26,316	Transfer	3,62,16,309	1.41
				12-10-2018	-27,072	Transfer	3,61,89,237	1.41
				19-10-2018	94,762	Transfer	3,62,83,999	1.41
				26-10-2018	1,81,687	Transfer	3,64,65,686	1.42
				02-11-2018	30,64,331	Transfer	3,95,30,017	1.54
				02-11-2018	-2	Transfer	3,95,30,015	1.54
				09-11-2018	2,15,381	Transfer	3,97,45,396	1.55
				09-11-2018	-4,50,000	Transfer	3,92,95,396	1.53
				16-11-2018	1,91,835	Transfer	3,94,87,231	1.54
				16-11-2018	-85,550	Transfer	3,94,01,681	1.53
				23-11-2018	1,56,220	Transfer	3,95,57,901	1.54
				30-11-2018	1,23,105	Transfer	3,96,81,006	1.54
				07-12-2018	16,66,194	Transfer	4,13,47,200	1.61
				07-12-2018	-25,866	Transfer	4,13,21,334	1.61
				14-12-2018	26,34,801	Transfer	4,39,56,135	1.71
				14-12-2018	-72,395	Transfer	4,38,83,740	1.71
				21-12-2018	1,31,442	Transfer	4,40,15,182	1.71
				28-12-2018	22,53,821	Transfer	4,62,69,003	1.80
				28-12-2018	-40,936	Transfer	4,62,28,067	1.80
				31-12-2018	5,49,266	Transfer	4,67,77,333	1.82
				04-01-2019	7,87,822	Transfer	4,75,65,155	1.85
				11-01-2019	4,63,155	Transfer	4,80,28,310	1.87
				18-01-2019	2,79,127	Transfer	4,83,07,437	1.88



Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				18-01-2019	-2,28,601	Transfer	4,80,78,836	1.87
				25-01-2019	2,74,857	Transfer	4,83,53,693	1.88
				25-01-2019	-226	Transfer	4,83,53,467	1.88
				01-02-2019	72,724	Transfer	4,84,26,191	1.88
				01-02-2019	-15,03,800	Transfer	4,69,22,391	1.83
				08-02-2019	1,00,385	Transfer	4,70,22,776	1.83
				08-02-2019	-23,79,407	Transfer	4,46,43,369	1.74
				15-02-2019	43,47,771	Transfer	4,89,91,140	1.91
				15-02-2019	-9,24,523	Transfer	4,80,66,617	1.87
				22-02-2019	18,96,296	Transfer	4,99,62,913	1.94
				01-03-2019	4,95,399	Transfer	5,04,58,312	1.96
				01-03-2019	-4,25,477	Transfer	5,00,32,835	1.95
				08-03-2019	44,10,338	Transfer	5,44,43,173	2.12
				08-03-2019	-8,073	Transfer	5,44,35,100	2.12
				15-03-2019	3,28,308	Transfer	5,47,63,408	2.13
				15-03-2019	-1,58,109	Transfer	5,46,05,299	2.12
				22-03-2019	7,34,745	Transfer	5,53,40,044	2.15
				22-03-2019	-384	Transfer	5,53,39,660	2.15
				29-03-2019	3,20,824	Transfer	5,56,60,484	2.16
				29-03-2019	-17,447	Transfer	5,56,43,037	2.16
		<b>5,56,43,037</b>	<b>2.16</b>	<b>31-03-2019</b>			<b>5,56,43,037</b>	<b>2.16</b>
<b>5</b>	<b>BC Asia Investments VII Limited - FDI</b>	<b>5,56,00,000</b>	<b>2.17</b>	<b>31-03-2018</b>			<b>5,56,00,000</b>	<b>2.17</b>
		<b>5,56,00,000</b>	<b>2.16</b>	<b>31-03-2019</b>			<b>5,56,00,000</b>	<b>2.16</b>
<b>6</b>	<b>ICICI Prudential Life Insurance Company Ltd</b>	<b>2,75,17,193</b>	<b>1.07</b>	<b>31-03-2018</b>			<b>2,75,17,193</b>	<b>1.07</b>
				06-04-2018	85,300	Transfer	2,76,02,493	1.08
				13-04-2018	18,89,554	Transfer	2,94,92,047	1.15
				13-04-2018	-9,50,000	Transfer	2,85,42,047	1.11
				20-04-2018	83,332	Transfer	2,86,25,379	1.12
				27-04-2018	44,537	Transfer	2,86,69,916	1.12
				04-05-2018	24,88,675	Transfer	3,11,58,591	1.21
				11-05-2018	-12,72,992	Transfer	2,98,85,599	1.16
				18-05-2018	-5,84,892	Transfer	2,93,00,707	1.14
				25-05-2018	-3,56,492	Transfer	2,89,44,215	1.13
				01-06-2018	-7,13,865	Transfer	2,82,30,350	1.10
				08-06-2018	-1,39,301	Transfer	2,80,91,049	1.09
				15-06-2018	2,34,394	Transfer	2,83,25,443	1.10
				22-06-2018	-2,33,608	Transfer	2,80,91,835	1.09
				29-06-2018	-6,20,946	Transfer	2,74,70,889	1.07
				06-07-2018	43,270	Transfer	2,75,14,159	1.07

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				13-07-2018	-61,509	Transfer	2,74,52,650	1.07
				20-07-2018	-2,51,197	Transfer	2,72,01,453	1.06
				27-07-2018	-1,05,604	Transfer	2,70,95,849	1.06
				03-08-2018	5,31,819	Transfer	2,76,27,668	1.08
				03-08-2018	-58,132	Transfer	2,75,69,536	1.07
				10-08-2018	-11,90,685	Transfer	2,63,78,851	1.03
				17-08-2018	-7,91,830	Transfer	2,55,87,021	1.00
				24-08-2018	2,09,153	Transfer	2,57,96,174	1.00
				31-08-2018	15,500	Transfer	2,58,11,674	1.00
				31-08-2018	-6,371	Transfer	2,58,05,303	1.00
				14-09-2018	-1,13,666	Transfer	2,56,91,637	1.00
				21-09-2018	25,36,077	Transfer	2,82,27,714	1.10
				28-09-2018	64,71,186	Transfer	3,46,98,900	1.35
				05-10-2018	32,09,834	Transfer	3,79,08,734	1.48
				12-10-2018	4,77,621	Transfer	3,83,86,355	1.49
				19-10-2018	7,08,464	Transfer	3,90,94,819	1.52
				26-10-2018	14,00,406	Transfer	4,04,95,225	1.58
				02-11-2018	8,89,643	Transfer	4,13,84,868	1.61
				09-11-2018	-1,72,613	Transfer	4,12,12,255	1.60
				16-11-2018	5,49,798	Transfer	4,17,62,053	1.63
				23-11-2018	8,16,762	Transfer	4,25,78,815	1.66
				30-11-2018	1,13,683	Transfer	4,26,92,498	1.66
				07-12-2018	4,88,858	Transfer	4,31,81,356	1.68
				14-12-2018	5,32,057	Transfer	4,37,13,413	1.70
				21-12-2018	25,35,569	Transfer	4,62,48,982	1.80
				28-12-2018	11,61,356	Transfer	4,74,10,338	1.84
				31-12-2018	17,845	Transfer	4,74,28,183	1.85
				04-01-2019	55,052	Transfer	4,74,83,235	1.85
				11-01-2019	8,59,247	Transfer	4,83,42,482	1.88
				18-01-2019	1,12,887	Transfer	4,84,55,369	1.89
				25-01-2019	3,04,845	Transfer	4,87,60,214	1.90
				01-02-2019	-16,70,854	Transfer	4,70,89,360	1.83
				08-02-2019	23,345	Transfer	4,71,12,705	1.83
				08-02-2019	-3,03,000	Transfer	4,68,09,705	1.82
				15-02-2019	30,08,062	Transfer	4,98,17,767	1.94
				22-02-2019	-2,25,051	Transfer	4,95,92,716	1.93
				01-03-2019	1,40,049	Transfer	4,97,32,765	1.93
				01-03-2019	-42,188	Transfer	4,96,90,577	1.93
				08-03-2019	19,93,880	Transfer	5,16,84,457	2.01

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				15-03-2019	-3,07,352	Transfer	5,13,77,105	2.00
				22-03-2019	-1,04,641	Transfer	5,12,72,464	1.99
				29-03-2019	1,52,587	Transfer	5,14,25,051	2.00
		<b>5,14,25,051</b>	<b>2.00</b>	<b>31-03-2019</b>			<b>5,14,25,051</b>	<b>2.00</b>
<b>7</b>	<b>Reliance Capital Trustee Co. Ltd A/C Relianceequit</b>	<b>1,60,76,371</b>	<b>0.63</b>	<b>31-03-2018</b>			<b>1,60,76,371</b>	<b>0.63</b>
				06-04-2018	6,16,405	Transfer	1,66,92,776	0.65
				13-04-2018	30,55,000	Transfer	1,97,47,776	0.77
				13-04-2018	-40,570	Transfer	1,97,07,206	0.77
				20-04-2018	97,202	Transfer	1,98,04,408	0.77
				20-04-2018	-50,590	Transfer	1,97,53,818	0.77
				27-04-2018	4,93,200	Transfer	2,02,47,018	0.79
				27-04-2018	-3,65,177	Transfer	1,98,81,841	0.77
				04-05-2018	15,45,526	Transfer	2,14,27,367	0.83
				04-05-2018	-6,27,500	Transfer	2,07,99,867	0.81
				11-05-2018	25,02,904	Transfer	2,33,02,771	0.91
				11-05-2018	-1,96,858	Transfer	2,31,05,913	0.90
				18-05-2018	9,65,646	Transfer	2,40,71,559	0.94
				18-05-2018	-37,171	Transfer	2,40,34,388	0.94
				25-05-2018	7,18,792	Transfer	2,47,53,180	0.96
				25-05-2018	-825	Transfer	2,47,52,355	0.96
				01-06-2018	54,996	Transfer	2,48,07,351	0.97
				01-06-2018	-8,15,396	Transfer	2,39,91,955	0.93
				08-06-2018	1,23,318	Transfer	2,41,15,273	0.94
				08-06-2018	-8,17,839	Transfer	2,32,97,434	0.91
				15-06-2018	7,99,799	Transfer	2,40,97,233	0.94
				15-06-2018	-6,90,676	Transfer	2,34,06,557	0.91
				22-06-2018	3,63,326	Transfer	2,37,69,883	0.93
				22-06-2018	-1,139	Transfer	2,37,68,744	0.93
				29-06-2018	6,74,180	Transfer	2,44,42,924	0.95
				29-06-2018	-44,902	Transfer	2,43,98,022	0.95
				06-07-2018	23,78,204	Transfer	2,67,76,226	1.04
				06-07-2018	-1,560	Transfer	2,67,74,666	1.04
				13-07-2018	5,75,139	Transfer	2,73,49,805	1.07
				13-07-2018	-4,72,305	Transfer	2,68,77,500	1.05
				20-07-2018	10,32,070	Transfer	2,79,09,570	1.09
				20-07-2018	-15,39,877	Transfer	2,63,69,693	1.03
				27-07-2018	13,04,018	Transfer	2,76,73,711	1.08
				27-07-2018	-37,034	Transfer	2,76,36,677	1.08
				03-08-2018	12,87,041	Transfer	2,89,23,718	1.13

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				03-08-2018	-22,54,197	Transfer	2,66,69,521	1.04
				10-08-2018	8,81,337	Transfer	2,75,50,858	1.07
				10-08-2018	-6,78,951	Transfer	2,68,71,907	1.05
				17-08-2018	6,86,233	Transfer	2,75,58,140	1.07
				17-08-2018	-10,61,000	Transfer	2,64,97,140	1.03
				24-08-2018	12,63,922	Transfer	2,77,61,062	1.08
				24-08-2018	-25,12,043	Transfer	2,52,49,019	0.98
				31-08-2018	34,18,793	Transfer	2,86,67,812	1.12
				31-08-2018	-12,79,524	Transfer	2,73,88,288	1.07
				07-09-2018	23,51,320	Transfer	2,97,39,608	1.16
				07-09-2018	-2,00,000	Transfer	2,95,39,608	1.15
				14-09-2018	5,94,676	Transfer	3,01,34,284	1.17
				14-09-2018	-15,24,712	Transfer	2,86,09,572	1.11
				21-09-2018	13,84,221	Transfer	2,99,93,793	1.17
				21-09-2018	-74,647	Transfer	2,99,19,146	1.16
				28-09-2018	4,05,380	Transfer	3,03,24,526	1.18
				28-09-2018	-21,14,651	Transfer	2,82,09,875	1.10
				05-10-2018	5,86,282	Transfer	2,87,96,157	1.12
				05-10-2018	-58,800	Transfer	2,87,37,357	1.12
				12-10-2018	13,67,250	Transfer	3,01,04,607	1.17
				19-10-2018	15,45,502	Transfer	3,16,50,109	1.23
				19-10-2018	-4,225	Transfer	3,16,45,884	1.23
				26-10-2018	15,43,915	Transfer	3,31,89,799	1.29
				26-10-2018	-48,750	Transfer	3,31,41,049	1.29
				02-11-2018	18,84,936	Transfer	3,50,25,985	1.36
				02-11-2018	-2,76,040	Transfer	3,47,49,945	1.35
				09-11-2018	13,50,861	Transfer	3,61,00,806	1.40
				09-11-2018	-18,33,410	Transfer	3,42,67,396	1.33
				16-11-2018	6,82,870	Transfer	3,49,50,266	1.36
				16-11-2018	-14,38,991	Transfer	3,35,11,275	1.30
				23-11-2018	17,11,187	Transfer	3,52,22,462	1.37
				23-11-2018	-13,22,727	Transfer	3,38,99,735	1.32
				30-11-2018	8,45,190	Transfer	3,47,44,925	1.35
				30-11-2018	-4,50,174	Transfer	3,42,94,751	1.33
				07-12-2018	32,20,168	Transfer	3,75,14,919	1.46
				07-12-2018	-73,995	Transfer	3,74,40,924	1.46
				14-12-2018	22,37,735	Transfer	3,96,78,659	1.54
				21-12-2018	9,34,404	Transfer	4,06,13,063	1.58
				21-12-2018	-3,25,764	Transfer	4,02,87,299	1.57

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				28-12-2018	19,51,976	Transfer	4,22,39,275	1.64
				28-12-2018	-4,68,167	Transfer	4,17,71,108	1.63
				31-12-2018	1,41,966	Transfer	4,19,13,074	1.63
				31-12-2018	-784	Transfer	4,19,12,290	1.63
				04-01-2019	2,21,975	Transfer	4,21,34,265	1.64
				04-01-2019	-30,071	Transfer	4,21,04,194	1.64
				11-01-2019	1,02,11,415	Transfer	5,23,15,609	2.04
				11-01-2019	-80,13,634	Transfer	4,43,01,975	1.72
				18-01-2019	4,51,541	Transfer	4,47,53,516	1.74
				18-01-2019	-4,00,883	Transfer	4,43,52,633	1.73
				25-01-2019	9,18,305	Transfer	4,52,70,938	1.76
				01-02-2019	29,04,169	Transfer	4,81,75,107	1.87
				01-02-2019	-13,33,681	Transfer	4,68,41,426	1.82
				08-02-2019	-2,75,499	Transfer	4,65,65,927	1.81
				15-02-2019	34,41,988	Transfer	5,00,07,915	1.95
				15-02-2019	-6,35,943	Transfer	4,93,71,972	1.92
				22-02-2019	2,218	Transfer	4,93,74,190	1.92
				22-02-2019	-27,173	Transfer	4,93,47,017	1.92
				01-03-2019	26,011	Transfer	4,93,73,028	1.92
				01-03-2019	-6,49,129	Transfer	4,87,23,899	1.90
				08-03-2019	7,14,177	Transfer	4,94,38,076	1.92
				08-03-2019	-11,54,512	Transfer	4,82,83,564	1.88
				15-03-2019	10,50,981	Transfer	4,93,34,545	1.92
				15-03-2019	-17,75,756	Transfer	4,75,58,789	1.85
				22-03-2019	4,89,144	Transfer	4,80,47,933	1.87
				22-03-2019	-10,60,230	Transfer	4,69,87,703	1.83
				29-03-2019	1,37,415	Transfer	4,71,25,118	1.83
				29-03-2019	-6,33,056	Transfer	4,64,92,062	1.81
		<b>4,64,92,062</b>	<b>1.81</b>	<b>31-03-2019</b>			<b>4,64,92,062</b>	<b>1.81</b>
<b>8</b>	<b>ICICI Prudential Life Insurance Company Limited</b>	<b>4,50,88,951</b>	<b>1.76</b>	<b>31-03-2018</b>			<b>4,50,88,951</b>	<b>1.76</b>
				06-04-2018	12,13,749	Transfer	4,63,02,700	1.80
				06-04-2018	-4,59,717	Transfer	4,58,42,983	1.79
				13-04-2018	7,61,812	Transfer	4,66,04,795	1.82
				13-04-2018	-58,530	Transfer	4,65,46,265	1.81
				20-04-2018	14,92,096	Transfer	4,80,38,361	1.87
				20-04-2018	-2,87,627	Transfer	4,77,50,734	1.86
				27-04-2018	8,00,032	Transfer	4,85,50,766	1.89
				27-04-2018	-11,522	Transfer	4,85,39,244	1.89
				04-05-2018	510	Transfer	4,85,39,754	1.89

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				04-05-2018	-12,51,790	Transfer	4,72,87,964	1.84
				11-05-2018	3,720	Transfer	4,72,91,684	1.84
				11-05-2018	-1,53,400	Transfer	4,71,38,284	1.84
				18-05-2018	3,197	Transfer	4,71,41,481	1.84
				18-05-2018	-37,27,843	Transfer	4,34,13,638	1.69
				25-05-2018	592	Transfer	4,34,14,230	1.69
				25-05-2018	-3,73,204	Transfer	4,30,41,026	1.68
				01-06-2018	10,17,425	Transfer	4,40,58,451	1.72
				01-06-2018	-7,44,081	Transfer	4,33,14,370	1.69
				08-06-2018	2,78,464	Transfer	4,35,92,834	1.70
				08-06-2018	-26,260	Transfer	4,35,66,574	1.70
				15-06-2018	4,87,213	Transfer	4,40,53,787	1.72
				15-06-2018	-15,823	Transfer	4,40,37,964	1.71
				22-06-2018	9,819	Transfer	4,40,47,783	1.72
				22-06-2018	-6,45,784	Transfer	4,34,01,999	1.69
				29-06-2018	1,44,63,567	Transfer	5,78,65,566	2.25
				29-06-2018	-1,38,000	Transfer	5,77,27,566	2.25
				06-07-2018	5,041	Transfer	5,77,32,607	2.25
				06-07-2018	-45,59,385	Transfer	5,31,73,222	2.07
				13-07-2018	4,40,608	Transfer	5,36,13,830	2.09
				13-07-2018	-22,56,927	Transfer	5,13,56,903	2.00
				20-07-2018	1,673	Transfer	5,13,58,576	2.00
				20-07-2018	-11,23,382	Transfer	5,02,35,194	1.96
				27-07-2018	1,103	Transfer	5,02,36,297	1.96
				27-07-2018	-23,60,315	Transfer	4,78,75,982	1.86
				03-08-2018	19,231	Transfer	4,78,95,213	1.87
				03-08-2018	-30,27,004	Transfer	4,48,68,209	1.75
				10-08-2018	874	Transfer	4,48,69,083	1.75
				10-08-2018	-26,49,393	Transfer	4,22,19,690	1.64
				17-08-2018	806	Transfer	4,22,20,496	1.64
				17-08-2018	-29,74,215	Transfer	3,92,46,281	1.53
				24-08-2018	1,607	Transfer	3,92,47,888	1.53
				24-08-2018	-27,69,645	Transfer	3,64,78,243	1.42
				31-08-2018	2,101	Transfer	3,64,80,344	1.42
				31-08-2018	-46,02,300	Transfer	3,18,78,044	1.24
				07-09-2018	1,739	Transfer	3,18,79,783	1.24
				07-09-2018	-2,37,965	Transfer	3,16,41,818	1.23
				14-09-2018	18,324	Transfer	3,16,60,142	1.23
				14-09-2018	-4,85,453	Transfer	3,11,74,689	1.21

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				21-09-2018	60,453	Transfer	3,12,35,142	1.22
				21-09-2018	-8,375	Transfer	3,12,26,767	1.22
				28-09-2018	1,95,302	Transfer	3,14,22,069	1.22
				28-09-2018	-4,65,404	Transfer	3,09,56,665	1.20
				05-10-2018	16,58,469	Transfer	3,26,15,134	1.27
				05-10-2018	-4,000	Transfer	3,26,11,134	1.27
				12-10-2018	4,02,357	Transfer	3,30,13,491	1.28
				12-10-2018	-625	Transfer	3,30,12,866	1.28
				19-10-2018	12,62,964	Transfer	3,42,75,830	1.33
				19-10-2018	-45,000	Transfer	3,42,30,830	1.33
				26-10-2018	75,40,273	Transfer	4,17,71,103	1.63
				26-10-2018	-9,318	Transfer	4,17,61,785	1.63
				02-11-2018	30,37,682	Transfer	4,47,99,467	1.74
				02-11-2018	-3,375	Transfer	4,47,96,092	1.74
				09-11-2018	1,405	Transfer	4,47,97,497	1.74
				09-11-2018	-1,56,950	Transfer	4,46,40,547	1.74
				16-11-2018	17,31,875	Transfer	4,63,72,422	1.80
				16-11-2018	-49,075	Transfer	4,63,23,347	1.80
				23-11-2018	360	Transfer	4,63,23,707	1.80
				23-11-2018	-4,500	Transfer	4,63,19,207	1.80
				30-11-2018	13,70,967	Transfer	4,76,90,174	1.86
				30-11-2018	-21,250	Transfer	4,76,68,924	1.85
				07-12-2018	36,18,204	Transfer	5,12,87,128	2.00
				14-12-2018	23,15,208	Transfer	5,36,02,336	2.09
				14-12-2018	-11,850	Transfer	5,35,90,486	2.09
				21-12-2018	4,74,367	Transfer	5,40,64,853	2.10
				21-12-2018	-1,12,100	Transfer	5,39,52,753	2.10
				28-12-2018	20,734	Transfer	5,39,73,487	2.10
				28-12-2018	-8,025	Transfer	5,39,65,462	2.10
				31-12-2018	12,77,048	Transfer	5,52,42,510	2.15
				31-12-2018	-2,875	Transfer	5,52,39,635	2.15
				04-01-2019	5,93,406	Transfer	5,58,33,041	2.17
				04-01-2019	-4,775	Transfer	5,58,28,266	2.17
				11-01-2019	5,18,597	Transfer	5,63,46,863	2.19
				11-01-2019	-19,24,798	Transfer	5,44,22,065	2.12
				18-01-2019	38,707	Transfer	5,44,60,772	2.12
				18-01-2019	-58,800	Transfer	5,44,01,972	2.12
				25-01-2019	9,51,168	Transfer	5,53,53,140	2.15
				25-01-2019	-14,13,463	Transfer	5,39,39,677	2.10

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				01-02-2019	58,043	Transfer	5,39,97,720	2.10
				01-02-2019	-41,58,586	Transfer	4,98,39,134	1.94
				08-02-2019	2,865	Transfer	4,98,41,999	1.94
				08-02-2019	-13,23,413	Transfer	4,85,18,586	1.89
				15-02-2019	88,49,854	Transfer	5,73,68,440	2.23
				15-02-2019	-1,57,459	Transfer	5,72,10,981	2.23
				22-02-2019	2,64,80,932	Transfer	8,36,91,913	3.26
				22-02-2019	-5,05,522	Transfer	8,31,86,391	3.24
				01-03-2019	1,26,323	Transfer	8,33,12,714	3.24
				01-03-2019	-1,92,27,289	Transfer	6,40,85,425	2.49
				08-03-2019	4,11,067	Transfer	6,44,96,492	2.51
				08-03-2019	-19,35,051	Transfer	6,25,61,441	2.43
				15-03-2019	2,765	Transfer	6,25,64,206	2.43
				15-03-2019	-45,80,626	Transfer	5,79,83,580	2.26
				22-03-2019	4,54,585	Transfer	5,84,38,165	2.27
				22-03-2019	-61,74,533	Transfer	5,22,63,632	2.03
				29-03-2019	15,841	Transfer	5,22,79,473	2.03
				29-03-2019	-34,32,167	Transfer	4,88,47,306	1.90
		<b>4,88,47,306</b>	<b>1.90</b>	<b>31-03-2019</b>			<b>4,88,47,306</b>	<b>1.90</b>
<b>9</b>	<b>Franklin India Equity Savings Fund</b>	<b>4,10,37,912</b>	<b>1.60</b>	<b>31-03-2018</b>			<b>4,10,37,912</b>	<b>1.60</b>
				06-04-2018	5,07,442	Transfer	4,15,45,354	1.62
				06-04-2018	-2,565	Transfer	4,15,42,789	1.62
				13-04-2018	3,96,066	Transfer	4,19,38,855	1.63
				04-05-2018	-20,50,000	Transfer	3,98,88,855	1.55
				11-05-2018	-4,00,000	Transfer	3,94,88,855	1.54
				18-05-2018	-84,989	Transfer	3,94,03,866	1.53
				25-05-2018	-72,029	Transfer	3,93,31,837	1.53
				01-06-2018	-12,89,168	Transfer	3,80,42,669	1.48
				08-06-2018	55	Transfer	3,80,42,724	1.48
				08-06-2018	-1,78,105	Transfer	3,78,64,619	1.47
				15-06-2018	2,82,966	Transfer	3,81,47,585	1.49
				15-06-2018	-37,921	Transfer	3,81,09,664	1.48
				29-06-2018	1,25,738	Transfer	3,82,35,402	1.49
				06-07-2018	1,38,090	Transfer	3,83,73,492	1.49
				06-07-2018	-12,67,791	Transfer	3,71,05,701	1.44
				27-07-2018	7,64,858	Transfer	3,78,70,559	1.47
				27-07-2018	-2,63,828	Transfer	3,76,06,731	1.46
				03-08-2018	1,12,695	Transfer	3,77,19,426	1.47
				03-08-2018	-9,50,000	Transfer	3,67,69,426	1.43



Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				10-08-2018	-17,50,000	Transfer	3,50,19,426	1.36
				17-08-2018	13	Transfer	3,50,19,439	1.36
				24-08-2018	-2,00,000	Transfer	3,48,19,439	1.36
				31-08-2018	20,000	Transfer	3,48,39,439	1.36
				31-08-2018	-6,00,000	Transfer	3,42,39,439	1.33
				07-09-2018	45,273	Transfer	3,42,84,712	1.33
				14-09-2018	46,800	Transfer	3,43,31,512	1.34
				14-09-2018	-2,50,000	Transfer	3,40,81,512	1.33
				21-09-2018	-1,30,330	Transfer	3,39,51,182	1.32
				28-09-2018	15,000	Transfer	3,39,66,182	1.32
				28-09-2018	-20,34,358	Transfer	3,19,31,824	1.24
				05-10-2018	2,255	Transfer	3,19,34,079	1.24
				12-10-2018	2,54,038	Transfer	3,21,88,117	1.25
				19-10-2018	841	Transfer	3,21,88,958	1.25
				02-11-2018	5,08,000	Transfer	3,26,96,958	1.27
				02-11-2018	-2,568	Transfer	3,26,94,390	1.27
				09-11-2018	-2,05,593	Transfer	3,24,88,797	1.26
				16-11-2018	3,574	Transfer	3,24,92,371	1.26
				07-12-2018	2,211	Transfer	3,24,94,582	1.26
				14-12-2018	6,11,759	Transfer	3,31,06,341	1.29
				21-12-2018	409	Transfer	3,31,06,750	1.29
				21-12-2018	-2,00,000	Transfer	3,29,06,750	1.28
				04-01-2019	-367	Transfer	3,29,06,383	1.28
				01-02-2019	-6,50,000	Transfer	3,22,56,383	1.26
				08-02-2019	107	Transfer	3,22,56,490	1.26
				15-02-2019	10,00,000	Transfer	3,32,56,490	1.29
				15-02-2019	-4,00,000	Transfer	3,28,56,490	1.28
				08-03-2019	-3,169	Transfer	3,28,53,321	1.28
				22-03-2019	-9,00,131	Transfer	3,19,53,190	1.24
				29-03-2019	-2,00,387	Transfer	3,17,52,803	1.23
		<b>3,17,52,803</b>	<b>1.23</b>	<b>31-03-2019</b>			<b>3,17,52,803</b>	<b>1.23</b>
<b>10</b>	<b>Government of Singapore</b>	<b>3,81,37,648</b>	<b>1.59</b>	<b>31-03-2018</b>			<b>2,65,49,695</b>	<b>1.03</b>
				06-04-2018	20,102	Transfer	2,65,69,797	1.04
				13-04-2018	10,600	Transfer	2,65,80,397	1.04
				20-04-2018	-7,99,452	Transfer	2,57,80,945	1.00
				27-04-2018	-11,010	Transfer	2,57,69,935	1.00
				04-05-2018	-18,526	Transfer	2,57,51,409	1.00
				11-05-2018	9,569	Transfer	2,57,60,978	1.00
				11-05-2018	-4,51,373	Transfer	2,53,09,605	0.99

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				18-05-2018	-43,750	Transfer	2,52,65,855	0.98
				25-05-2018	7,707	Transfer	2,52,73,562	0.98
				25-05-2018	-10,096	Transfer	2,52,63,466	0.98
				01-06-2018	3,92,013	Transfer	2,56,55,479	1.00
				08-06-2018	10,01,342	Transfer	2,66,56,821	1.04
				15-06-2018	7,42,342	Transfer	2,73,99,163	1.07
				22-06-2018	18,690	Transfer	2,74,17,853	1.07
				22-06-2018	-74,927	Transfer	2,73,42,926	1.06
				29-06-2018	71,202	Transfer	2,74,14,128	1.07
				06-07-2018	60,545	Transfer	2,74,74,673	1.07
				20-07-2018	2,57,113	Transfer	2,77,31,786	1.08
				27-07-2018	-1,97,540	Transfer	2,75,34,246	1.07
				03-08-2018	-18,154	Transfer	2,75,16,092	1.07
				10-08-2018	4,25,139	Transfer	2,79,41,231	1.09
				24-08-2018	4,60,620	Transfer	2,84,01,851	1.11
				24-08-2018	-57,976	Transfer	2,83,43,875	1.10
				31-08-2018	10,49,646	Transfer	2,93,93,521	1.14
				31-08-2018	-1,05,551	Transfer	2,92,87,970	1.14
				07-09-2018	6,67,720	Transfer	2,99,55,690	1.17
				07-09-2018	-32,579	Transfer	2,99,23,111	1.16
				14-09-2018	5,81,397	Transfer	3,05,04,508	1.19
				14-09-2018	-61,325	Transfer	3,04,43,183	1.19
				21-09-2018	2,89,487	Transfer	3,07,32,670	1.20
				05-10-2018	-1,05,694	Transfer	3,06,26,976	1.19
				12-10-2018	-29,660	Transfer	3,05,97,316	1.19
				19-10-2018	94,214	Transfer	3,06,91,530	1.19
				19-10-2018	-1,65,108	Transfer	3,05,26,422	1.19
				26-10-2018	-2,04,734	Transfer	3,03,21,688	1.18
				02-11-2018	60,640	Transfer	3,03,82,328	1.18
				02-11-2018	-1,38,895	Transfer	3,02,43,433	1.18
				23-11-2018	2,11,345	Transfer	3,04,54,778	1.19
				30-11-2018	10,42,493	Transfer	3,14,97,271	1.23
				07-12-2018	1,73,354	Transfer	3,16,70,625	1.23
				21-12-2018	2,93,033	Transfer	3,19,63,658	1.24
				28-12-2018	5,718	Transfer	3,19,69,376	1.24
				28-12-2018	-15,398	Transfer	3,19,53,978	1.24
				04-01-2019	1,80,586	Transfer	3,21,34,564	1.25
				11-01-2019	-4,29,562	Transfer	3,17,05,002	1.23
				25-01-2019	-3,645	Transfer	3,17,01,357	1.23

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				01-02-2019	4,84,482	Transfer	3,21,85,839	1.25
				08-02-2019	12,45,619	Transfer	3,34,31,458	1.30
				22-02-2019	4,25,701	Transfer	3,38,57,159	1.32
				01-03-2019	7,25,901	Transfer	3,45,83,060	1.35
				01-03-2019	-3,57,825	Transfer	3,42,25,235	1.33
				08-03-2019	5,40,595	Transfer	3,47,65,830	1.35
				15-03-2019	19,742	Transfer	3,47,85,572	1.35
				22-03-2019	7,32,013	Transfer	3,55,17,585	1.38
				29-03-2019	7,98,382	Transfer	3,63,15,967	1.41
		<b>3,63,15,967</b>	<b>1.41</b>	<b>31-03-2019</b>			<b>3,63,15,967</b>	<b>1.41</b>

**Note:**

1. Top ten shareholders of the Bank as on March 31<sup>st</sup> 2019 have been considered, for the above disclosures.
2. Date of change is the date of the shareholding statement i.e. the date on which the statements of beneficial ownerships is received from the depositories.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Amitabh Chaudhry <sup>1</sup>	-	-	31-03-2018	-	-	-	-
				31-03-2019	-	-	-	-
2	Shikha Sharma <sup>2</sup>	5,75,000	0.02	31-03-2018			5,75,000	0.02
				01-06-2018	-1,00,000	Transfer	4,75,000	0.02
				15-06-2018	1,00,000	Transfer	5,75,000	0.02
				14-09-2018	-1,00,000	Transfer	4,75,000	0.02
				28-09-2018	1,00,000	Transfer	5,75,000	0.02
				09-11-2018	-1,00,000	Transfer	4,75,000	0.02
				23-11-2018	1,00,000	Transfer	5,75,000	0.02
				08-02-2019	-1,00,000	Transfer	4,75,000	0.02
				15-02-2019	-1,00,000	Transfer	3,75,000	0.01
				22-02-2019	1,00,000	Transfer	4,75,000	0.02
				01-03-2019	1,00,000	Transfer	5,75,000	0.02
		<b>575000</b>	<b>0.02</b>	<b>31-03-2019</b>			<b>5,75,000</b>	<b>0.02</b>

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year		
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	
3	Srinivasan Varadarajan <sup>3</sup>	13,48,000	0.05	31-03-2018			13,48,000	0.05	
				06-04-2018	52,000	Transfer	14,00,000	0.05	
				10-08-2018	-79,500	Transfer	13,20,500	0.05	
				17-08-2018	-5,000	Transfer	13,15,500	0.05	
				24-08-2018	-50,000	Transfer	12,65,500	0.05	
				31-08-2018	-75,000	Transfer	11,90,500	0.05	
				07-09-2018	-75,000	Transfer	11,15,500	0.04	
				14-09-2018	-50,000	Transfer	10,65,500	0.04	
				01-02-2019	-1,62,406	Transfer	9,03,094	0.04	
				08-03-2019	-1,00,000	Transfer	8,03,094	0.03	
				22-03-2019	-1,55,797	Transfer	6,47,297	0.03	
				6,47,297	0.03	31-03-2019		6,47,297	0.03
		4	Rajiv Anand	5,00,500	0.02	31-03-2018			5,00,500
				27-04-2018	75,000	Transfer	5,75,500	0.02	
				01-06-2018	-34,431	Transfer	5,41,069	0.02	
				03-08-2018	-35,000	Transfer	5,06,069	0.02	
				10-08-2018	-25,000	Transfer	4,81,069	0.02	
				17-08-2018	-25,000	Transfer	4,56,069	0.02	
				16-11-2018	-35,000	Transfer	4,21,069	0.02	
				21-12-2018	-25,000	Transfer	3,96,069	0.02	
				08-02-2019	-35,000	Transfer	3,61,069	0.01	
				15-03-2019	-50,000	Transfer	3,11,069	0.01	
				25-03-2019	65,000	Transfer	3,76,069	0.01	
				3,76,069	0.01	31-03-2019		3,76,069	0.01
5	Rajesh Dahiya			6,000	0.00	31-03-2018			6,000
				25-05-2018	35,000	Transfer	41,000	0.00	
				22-06-2018	-41,000	Transfer	-	0.00	
				17-08-2018	50,500	Transfer	50,500	0.00	
				24-08-2018	-50,500	Transfer	-	0.00	
				-	0.00	31-03-2019		-	0.00
6	Jairam Sridharan	2,39,041	0.01	31-03-2018			2,39,041	0.01	
				31-08-2018	-30,000	Transfer	2,09,041	0.01	
				08-02-2019	-30,000	Transfer	1,79,041	0.01	
				29-03-2019	40,000	Transfer	2,19,041	0.01	
		2,19,041	0.01	31-03-2019		2,19,041	0.01		
7	Girish V. Koliyote	-	-	31-03-2018	-	-	-	-	
				31-03-2019	-	-	-	-	

**Note:**

<sup>1</sup> Appointed as Managing Director & CEO of the Bank, w.e.f. 1<sup>st</sup> January 2019.

<sup>2</sup> Ceased to be the Managing Director & CEO of the Bank, on expiry of her tenure, w.e.f. the close of business hours on 31<sup>st</sup> December 2018.

<sup>3</sup> Ceased to be the Deputy Managing Director of the Bank, on expiry of his tenure, w.e.f. the close of business hours on 20<sup>th</sup> December 2018.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year - 2018-2019</b>				
i) Principal Amount	6,579	1,41,437	-	1,48,016
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4	2,533	-	2,537
<b>Total (i+ii+iii)</b>	<b>6,583</b>	<b>1,43,970</b>	<b>-</b>	<b>1,50,553</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	3,34,278	2,18,662	-	5,52,940
Reduction	-3,26,457	-2,25,889	-	-5,52,346
Rate Movement	-	4,988	-	4,988
<b>Net Change</b>	<b>7,821</b>	<b>-2,239</b>	<b>-</b>	<b>5,582</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	14,400	1,38,376	-	1,52,776
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4	3,355	-	3,359
<b>Total (i+ii+iii)</b>	<b>14,404</b>	<b>1,41,731</b>	<b>-</b>	<b>1,56,135</b>

### Notes:

- Deposits accepted by the Bank are in normal course of banking business and an operating activity of the Bank and hence not included in the indebtedness disclosure.
- Principal amount represents outstanding balance of borrowings as reported in financial statements as of the beginning and end of the financial year.
- Additions also include the effect of exchange rate fluctuation and net change in interest accrued but not due between the beginning of financial year and the end of financial year.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager for the financial year 2018-19:

(in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager					Total Amount
		Shri Amitabh Chaudhry	Smt. Shikha Sharma <sup>1</sup>	Shri V. Srinivasan <sup>2</sup>	Shri Rajiv Anand	Shri Rajesh Dahiya	
1.	Gross salary						
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	1,26,49,998	4,58,68,060	3,14,13,685	2,91,18,762	2,35,84,459	14,26,34,964
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,57,252	24,34,549	18,55,934	28,44,458	43,33,638	1,16,25,831
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Options (No. of options)	6,30,000 <sup>#</sup>	-	50,000	2,00,000	1,20,000	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others	-	-	-	-	-	-
5.	Others	-	-	-	-	-	-
	<b>Total (A)</b>	<b>1,28,07,250</b>	<b>4,83,02,609</b>	<b>3,32,69,619</b>	<b>3,19,63,220</b>	<b>2,79,18,097</b>	<b>15,42,60,795</b>
	Ceiling as per the Act*	-	-	-	-	-	-

<sup>#</sup> Shri Amitabh Chaudhry was granted stock options, in January 2019, post appointment as Managing Director & CEO of the Bank.

<sup>1</sup> Ceased to be the Managing Director & CEO of the Bank on expiry of her tenure, w.e.f. the close of business hours on 31<sup>st</sup> December 2018.

<sup>2</sup> Ceased to be the Deputy Managing Director of the Bank on expiry of his tenure, w.e.f. the close of business hours on 20<sup>th</sup> December 2018.

\* In terms of provision of the Banking Regulations Act, 1949, the provisions relating to Managerial Remuneration under the Companies Act, 2013 and the Rules made thereunder are not applicable to the Bank.

B. Remuneration to other Directors for the financial year 2018-19:

(in ₹)

Sr. No.	Particulars of Remuneration to Independent Directors	Dr. Sanjiv Misra	Prasad R. Menon <sup>1</sup>	Samir Barua	Som Mittal	Rohit Bhagat	Usha Sangwan* <sup>®</sup>	S. Vishvanathan	Total Amount
1	Fee for attending Board / Committee meetings	14,50,000	15,00,000	28,00,000	24,50,000	19,50,000	7,50,000	31,00,000	1,40,00,000
2	Commission for FY 2017-18	-	-	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>14,50,000</b>	<b>15,00,000</b>	<b>28,00,000</b>	<b>24,50,000</b>	<b>19,50,000</b>	<b>7,50,000</b>	<b>31,00,000</b>	<b>1,40,00,000</b>

(in ₹)

Sr. No.	Particulars of Remuneration of Independent / Non-Executive Directors	Rakesh Makhija	Ketaki Bhagwati	B. Baburao* <sup>®</sup>	Stephen Pagliuca*	Girish Paranjpe <sup>2</sup>	Total Amount
1	Fee for attending Board / Committee meetings	33,50,000	22,50,000	28,00,000	13,50,000	8,00,000	1,05,50,000
2	Commission for FY 2017-18	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>33,50,000</b>	<b>22,50,000</b>	<b>28,00,000</b>	<b>13,50,000</b>	<b>8,00,000</b>	<b>1,05,50,000</b>
	<b>Total (B)=(1+2)</b>						<b>2,45,50,000</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>17,88,10,795</b>

\* Shri B. Babu Rao, Smt. Usha Sangwan and Shri Stephen Pagliuca are Non-Executive (Nominee) Directors of the Bank.

<sup>1</sup> Shri Prasad Menon ceased to be an Independent Director of the Bank on expiry of his tenure, w.e.f. the close of business hours on 8<sup>th</sup> October 2018.

<sup>2</sup> Shri Girish Paranjpe was appointed as Independent Director of the Bank, w.e.f. 2<sup>nd</sup> November 2018.

<sup>®</sup> Sitting fees paid upto 30<sup>th</sup> September 2018 to Smt. Usha Sangwan (Nominee Director – LIC) and upto 2<sup>nd</sup> January 2019 to Shri B. Baburao (Nominee Director – SUUTI) for attending the meetings of the Board/Committees have been credited to the designated bank account of LIC and SUUTI, respectively. Further, the sitting fees paid after the said date have been credited to the designated bank account of Smt. Usha Sangwan and Shri B. Baburao respectively.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD for the financial year 2018-19:

(in ₹)

Sr. No.	Particulars of Remuneration	Jairam Sridharan, Chief Financial Officer	Girish V. Koliyote, Company Secretary	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	1,19,83,325	77,19,194	1,97,02,519
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	18,36,424	3,54,260	21,90,684
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option (No. of options)	1,00,000	26,000	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others	-	-	-
5.	Others	-	-	-
	<b>Total</b>	<b>1,38,19,749</b>	<b>80,73,454</b>	<b>2,18,93,203</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (Regional Director/National Company Law Tribunal/Court)	Appeal made
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

# Disclosure On Remuneration

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information relating to managerial remuneration, in terms of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are detailed as under:

- (i) The ratio of the remuneration of each Director of the Bank to the median remuneration of the employees of the Bank for the financial year 2018-19, are as under;

Name of the Whole Time Directors	Ratio of remuneration to median remuneration of all employees
Smt. Shikha Sharma, Managing Director & CEO (Ceased to be Managing Director & CEO of the Bank, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	79.7
Shri Amitabh Chaudhry (Appointed as Managing Director & CEO of the Bank for a period of 3 years, w.e.f. 1 <sup>st</sup> January 2019)	92.8
Shri V. Srinivasan, Deputy Managing Director (Ceased to be Deputy Managing Director of the Bank, w.e.f. the close of business hours on 20 <sup>th</sup> December 2018)	56.4
Shri Rajiv Anand, Executive Director (Wholesale Banking)	43.9
Shri Rajesh Dahiya, Executive Director (Corporate Centre)	39.2

Note: All confirmed employees (excluding front line sales force), as on 31<sup>st</sup> March 2019 have been considered.

- (ii) The percentage increase in remuneration of Executive Directors, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, in the financial year 2018-19, are as under;

Name of the Director/Key Managerial Personnel	% increase in the remuneration in the financial year 2018-19
<b>Whole Time Directors</b>	
Smt. Shikha Sharma, Managing Director & CEO (Ceased to be Managing Director & CEO of the Bank, w.e.f. the close of business hours on 31 <sup>st</sup> December 2018)	0.0
Shri Amitabh Chaudhry (Appointed as Managing Director & CEO of the Bank for a period of 3 years, w.e.f. 1 <sup>st</sup> January 2019)	N.A.
Shri V. Srinivasan, Deputy Managing Director (Ceased to be Deputy Managing Director of the Bank, w.e.f. the close of business hours on 20 <sup>th</sup> December 2018)	7.0
Shri Rajiv Anand, Executive Director (Wholesale Banking)	7.0
Shri Rajesh Dahiya, Executive Director (Corporate Centre)	7.0
<b>Key Managerial Personnel</b>	
Shri Jairam Sridharan, Chief Financial Officer	7.0
Shri Girish V. Koliyote, Company Secretary	10.0

- (iii) The percentage increase in the median remuneration of the said employees of the Bank during the financial year 2018-19, is as under:

Median remuneration of employees of the Bank increased by 10.66 % in the financial year 2018-19, as compared to the financial year 2017-18.



- (iv) The number of permanent employees on the rolls of the Bank as on 31<sup>st</sup> March 2019 - The Bank had 61,940 permanent employees on its rolls, as on 31<sup>st</sup> March 2019.
- (v) Average percentile increase already made in the salaries of employees of the Bank other than its managerial personnel (viz. Whole Time Directors of the Bank) during the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average remuneration increase for non-managerial personnel of the Bank during the financial year 2018-19 was 9.6% and the average remuneration increase for the said managerial personnel of the Bank was around 7.0 %.

Remuneration increase is dependent on the Bank's performance as a whole, individual performance level and also market benchmarks.

- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Bank.

The Comprehensive Remuneration policy of the Bank as approved by the Nomination and the Remuneration Committee of Directors of the Bank is in line with the Risk Alignment Policy Guidelines issued by the Reserve Bank of India. We affirm that the remuneration paid to all employees and Whole Time Directors of the Bank is as per the said Policy.

# Annual Report on Corporate Social Responsibility (CSR) Activities

(As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014)

## 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The year gone by has been quite memorable for the Bank as it crossed an important milestone in its journey - completion of 25 years since its incorporation in December 1993. Through this momentous journey, the Bank has witnessed several transformations, including flagship CSR programs that have sought to redefine the boundaries of social good.

The transformations facilitated by the Bank's CSR activities - be it economic, social or digital, have left strong imprints in the communities it has touched through its programs.

The Bank's CSR philosophy aims to make a meaningful and measurable impact in the lives of the deprived communities across the country which the Bank achieves through initiatives that seek to create conditions that enable sustainable livelihoods for the communities it serves. The Bank is continually making efforts to align its CSR activities with various Government Schemes like MNREGA.

The CSR activities of the Bank are guided by its Corporate Social Responsibility (CSR) Policy which has been formulated and adopted by the Bank in compliance with the provisions of Section 135 of the Companies Act, 2013 and is hosted on the Bank's website [www.axisbank.com](http://www.axisbank.com). The CSR Policy is reviewed annually by the CSR Committee and new focus areas, as found necessary, are included from time to time.

The Bank executes its CSR activities directly by leveraging its geographical coverage to undertake such initiatives or through Axis Bank Foundation (ABF) or in association with any other Trust or agencies and entities as deemed suitable.

The CSR activities directly undertaken by the Bank majorly focus on poverty alleviation, promoting financial literacy and enabling financial inclusion, environmental sustainability, education and skill development and health and sanitation.

The Bank has been continually striving to create a financially literate society. With this aim in mind, '**Project Akshar**' was launched in 2017 to provide its users with a simple, intelligent and gamified platform to help them improve their financial knowledge. The platform has more than 2 lac registered users with a reach of more than 5 lac people with its geographical presence across the Metros, Tier 2 and Tier 3 cities and the rural areas as well. The program has helped the users to improve their credit portfolios by learning about credit scores and its impact on their credit health, helped delinquent users understand the consequences of non-payment and the future implications of these delinquencies. It has played a pivotal role in reducing the delinquencies by giving the users real-time experience of credit reporting with the help of their virtual credit score feature. Going forward, the platform intends to spread its outreach across geographies through an '**Akshar Ambassador Program**' which will be able to spread financial literacy amongst the masses. The platform aspires to become a one-of-its-kind e-learning platform through adoption of various community based digital practices, which will include a forum where people can post and resolve their queries and can share their feedback and their success stories with the Bank.

The Bank has been working towards strengthening India's MSME sector under its '**Evolve**' initiative, wherein it engages with the MSME sector through a series of knowledge sharing and skill development sessions. The series marked its 5<sup>th</sup> edition this year and will cover 31 cities with an active participation of more than 3,000 SMEs. The series aims to bring forward Thought Leaders/Experts/Successful Entrepreneurs to give guidance and personal methodologies to SMEs on relevant business topics so as to help them to overcome challenges and compete in a complex environment with large organisations and agile start-ups. In a world of start-ups springing new business ideas, creating new demand, the topic this year was how "**Innovation can help SMEs unlock business growth**". Innovation in any form, be it product, process or pricing is the cornerstone for organisations to remain relevant in the fast paced and rapidly transforming environment they operate in. It is no different

for SMEs, who seek to build long term sustainable businesses. The speakers were industry experts and thought leaders, who shared their valuable experience and mantras for innovation.

India holds forth a great potential in terms of fostering women and youth empowerment especially in the low income group. Towards this end, the Bank reached out to women and youth eager to break the shackles of poverty and attain financial betterment by conducting financial literacy programs. Through a structured program aimed at helping the rural households maintain their household accounts through efficient use of savings, insurance and investment, offering vocational training to up-skill the women to earn better and mass awareness camps that help the community to interact with the financial service providers, the program has been able to bring a gradual turn-around in the lives of these individuals. The Bank is also up-skilling unemployed youth thus brightening their chances to access better employment opportunities. Healthcare has also been another aspect where the Bank facilitated basic diagnostic tests to help the individuals get a better grasp of the health condition and take remedial measures if required. The Bank also pro-actively supported relief measures in disaster-struck areas like Kerala and Odisha and provided relief kits and other measures aimed at alleviating the hardships of the affected disaster victims through its program "Axis Sahaayata".

"**Axis DilSe**", the flagship program of the Bank that aspires to promote inclusive growth in border villages through education and thus create an enduring change in the region entered its 2<sup>nd</sup> year. The program is aligned to the developmental model of the Government's Border Area Development Program (BADP). Through this initiative, the Bank supports the transformation of 108 schools in the remote villages of Leh and Kargil districts of Ladakh region in Jammu & Kashmir.

As part of the program, the Bank this year, enabled the setting-up of 'DigiLabs' in the designated schools. The unique feature of DigiLabs has been that it is all powered by green energy viz: Solar power. The children in 108 schools now have access to curated educational content to help them familiarize topics in Maths, General Knowledge (GK), Environmental Studies (EVS), computers and phonetics at a pace that they can be comfortable with and in a joyful manner. The teachers in these schools have been trained in using the content that helps them impart curricular topics to the students thereby improving their learning levels. An impact assessment conducted through an independent third party evaluator brought out that the program has created meaningful impact since its launch including enhanced exposure for the communities, enhanced quality of infrastructure facilities in the schools and active community and Government involvement.

The digital transformation we have witnessed in these schools in some of the most remote areas of our country reaffirms our belief in being able to use technology to reach out to the children in these areas and open up new avenues of learning for them.

The Rights of Persons with Disabilities (RPWD) Act, 2016 is the disability legislation passed by the Indian Parliament to fulfill its obligation to the United Nations Convention on the Rights of Persons with Disabilities, which India ratified in 2007. With a view to increase awareness in this regard, the Bank supported an initiative that led to the conduction of a series of campaigns and seminars across India on the RPWD Act. This initiative also sought to sensitize and equip organizations involved in skilling of youth to ensure that youth with disabilities are also included in mainstream training programmes.

Recognizing the increasing concern of global warming and its ill effects on the environment, the Bank commenced undertaking green energy initiatives in its operations in order to reduce its carbon footprint. Towards this end, the Bank has installed around 5 MW of roof top solar plants in various Branches and Offices since inception of the project in the FY 2014-15. This includes the largest installation of 1.27 MW at Axis House, Noida at one single location. Further, the Bank has set up a 2 MW solar plant by acquiring 8.59 acres of land at Sonalwadi village, Sangola taluka, Solapur through Open Access System which can generate 28 lakhs electricity units per annum and aims to reduce 2,296 tons of carbon emissions annually.

The Bank has invested in "**Social Transformation**" by supporting initiatives aimed at improving the lives of the rural populace. Set up as a Public Charitable Trust in 2006, **Axis Bank Foundation (ABF)**, the Corporate Social Responsibility (CSR) arm of Axis Bank Ltd. spearheads the CSR activities of the Bank with a focus on creating Sustainable Livelihoods. The Bank has also directly partnered with credible NGOs pan-India with an aim to create Sustainable Livelihoods for the intended participants that lead to an increase in their economic and social up-liftment. The Bank has engaged ABF to supervise and monitor these projects to ensure that the targeted objectives are met and the desired impact is created. ABF successfully achieved its first mission of creating 1 million sustainable livelihoods in September 2017. It has now embarked on its next ambition of impacting 2 million households by 2025.

The building blocks of ABF's livelihood approach are centred on creating enabling mechanisms and community centric institutions. Financial support is given to not-for-profit organizations that have a granular understanding of 'what will work' in the 'local context'. The investments in patient capitals across natural, economic, human and social spheres translate into generating sustainable livelihood avenues.

Within the overarching theme of Sustainable livelihoods are the two sub-themes – Rural Livelihoods and Skill Development. The Rural Livelihoods program reaches out to small and marginal farmers and the landless in dryland regions by working on watershed management, agriculture and horticulture enhancement, livestock development, micro-enterprise development and promoting collectives. The approach is to work in areas that are most challenged and with highly depleted natural resources. Financial literacy and bank linkages are among the key elements of these programs. Women are significant contributors to livelihoods and therefore efforts are made to empower them and connect them to enabling platforms. Incidence of migration tends to be high within rural communities, making women responsible for sustaining local livelihoods. It is, therefore, imperative to bring women into mainstream activities and the decision making process, thereby improving local governance. The enabling platforms such as SHGs and Producer Organizations help women take up a more assertive role that helps a faster transformation, which is also sustainable.

Skill development, on the other hand, includes training rural and peri-urban youth, including Persons with Disabilities (PwDs) in market-linked vocational skills and connecting them to jobs and/ or preparing them for entrepreneurial activities. It is important to consider the different aspirations of the rural youth. The practice of women restricting themselves to household chores and labouring in farms without wages is also changing fast, resulting in the need to create alternate livelihood engagements for young women through skill development programs. Close to 50% of our trainees are women.

Capacity building is considered as a key attributor for sustainable outcomes and transformative change. First is strengthening partner organization's capacities, which in turn addresses their potential to scale viable solutions and collaborate further. Second is building capacities of communities that comprise of community resource persons and grassroots leaders who are intrinsically involved with the implementation of core interventions. ABF in parallel, has also focused on developing a learning culture between their partner organizations and the Foundation. The outcomes evidenced have been social and economic transformation for the target communities. The sustainable livelihood programs also leverage Government Schemes like MNREGA. ABF has also signed MoUs with State Governments of Chhattisgarh, Assam, Andhra Pradesh, Kerala, Telangana and Maharashtra for various CSR interventions. The attempt is to collaborate with governments and other likeminded funders to scale up the impact and enable faster transformation.

As part of Mission 2 Million (M2M), 4,47,182 households/trainees have been impacted of which 2,10,050 are new households/trainees onboarded in FY 2018-19. Partnerships have been forged with 29 credible NGOs and the programs cover 151 Districts in 23 States/UTs.

An illustrative list of various programs and activities supported by ABF can be accessed at [www.axisbankfoundation.org](http://www.axisbankfoundation.org).

During the year, the Bank was awarded the CIHTC Sustainability Award for "Excellence in Corporate Social Responsibility". This is the second time, the Bank has been honoured with this award.

*For more details on the Bank's CSR efforts, please refer to the 'Corporate Social Responsibility (CSR)' section under 'Management Discussion and Analysis' section of the Annual Report, and disclosures made in the Bank's Sustainability Report and Axis Bank Foundation's Annual Report.*

- 2. The Composition of the CSR Committee:** Shri Som Mittal (Chairman), Shri Rajesh Dahiya and Shri Rajiv Anand.
- 3. Average net profit of the company for last three financial years:** ₹ 6,396.98 crore
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 127.94 crore

**5. Details of CSR spent during the financial year:**

- (a) Total amount spent for the financial year (2018-19): ₹ 137.59 crore
- (b) Amount unspent, if any: NIL
- (c) Manner in which the amount spent during the financial year is detailed in **Annexure A**.

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - Not applicable****7. The CSR Committee of the Board of Directors hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Bank.**

Som Mittal

Chairman – CSR Committee

Date : 26<sup>th</sup> April 2019

Rajesh Dahiya

Executive Director (Corporate Centre)

Date : 26<sup>th</sup> April 2019

S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs	Amount Outlay (Budget) Project or programs wise	Amount Spent on the Projects or programs Sub-heads:	Cumulative Expenditure up to the Reporting Period	Amount Spent:
				(1)	(2)		Direct or through implementing Agency
				(1) Local area or other undertaken	(2) Specify the State and district where projects or programs was undertaken	Direct expenditure on Projects or Programs	Direct or through implementing Agency
1.a.	Contribution to Axis Bank Foundation and its partner NGOs towards undertaking CSR activities as per the focus areas and programs areas listed in Axis Bank's 'Policy for Corporate Social Responsibility'.	Livelihood enhancement, vocational skills training, conservation of natural resources and rural development	(1) Local area (149 districts) and Others (2 districts) (2) Specify the State and district where projects or programs was undertaken 1. Andhra Pradesh (8 districts), Assam (2 districts), Bihar (3 districts), Chandigarh UT (1 district), Chattisgarh (9 districts), Delhi (3 districts), Gujarat (8 districts), Jharkhand (24 districts), Karnataka (4 districts), Kerala (4 districts), Madhya Pradesh (14 districts), Maharashtra (14 districts), Meghalaya (1 district), Odisha (8 districts), Puducherry UT (1 district), Punjab (2 districts), Rajasthan (13 districts), Sikkim (1 district), Tamil Nadu (8 districts), Telangana (5 districts), Uttar Pradesh (6 districts), Uttarakhand (7 districts), West Bengal (5 districts)	₹ 2.76 crore (For 2018-19)	Direct expenditure: ₹ 2.76 crore Overheads: Nil	₹ 451.05 crore (Contribution to the corpus of Axis Bank Foundation and its partner NGOs since 2006-07)	Through Axis Bank Foundation and its partner NGOs
	Details of the initiatives undertaken by Axis Bank Foundation are available at <a href="http://www.axisbankfoundation.org">www.axisbankfoundation.org</a>						
1.b.	Contribution to NGOs for conducting livelihood programs	Livelihood enhancement, vocational skills training, conservation of natural resources and rural development		₹ 88.81 crore (For 2018-19)	Direct expenditure: ₹ 99.15 crore Overheads: Nil	₹ 143.54 crore (Since 2017-18)	Through implementing agencies
2	Environmental sustainability program:	Environmental Sustainability – Conservation of Natural Resources, Ecological Balance, Renewable Energy Projects	(1) Local area (153 districts) and Others (Nil) 2. Andhra Pradesh (6 districts), Dadra & Nagar UT (1 district), Daman & Diu UT (2 districts), Delhi (11 districts), Gujarat (30 districts), Haryana (3 districts), Karnataka (13 districts), Kerala (1 district), Madhya Pradesh (1 district), Maharashtra (34 districts), Punjab (1 district), Rajasthan (30 districts), Tamil Nadu (9 districts), Telangana (4 districts), Uttar Pradesh (6 districts), West Bengal (1 district)	₹ 29.34 crore	Direct expenditure: ₹ 24.52 crore Overheads: Nil	₹ 86.80 crore (since 2014-15)	Direct and through implementing agencies
a.	Reduction of GHG emissions through use of renewable energy						
b.	Optimising energy efficiency						
c.	Maintaining ecological balance						
3	Education and Skill development program:	Promoting Education – Skill Development, Measures for the benefit of armed forces veterans, war widows and their dependents and Empowering women	(1) Local area (210 districts) and Others (Nil) 2. Andhra Pradesh (13 districts), Assam (4 districts), Bihar (3 districts), Chandigarh UT (1 district), Chattisgarh (4 districts), Delhi (1 district), Goa (2 districts), Gujarat (17 districts), Haryana (11 districts), Himachal Pradesh (3 districts), Jammu & Kashmir (4 districts), Jharkhand (4 districts), Karnataka (17 districts), Kerala (11 districts), Madhya Pradesh (7 districts), Maharashtra (27 districts), Manipur (1 district), Meghalaya (1 district), Odisha (8 districts), Puducherry UT (1 district), Punjab (10 districts), Rajasthan (8 districts), Tamil Nadu (17 districts), Telangana (6 districts), Tripura (1 district), Uttar Pradesh (15 districts), Uttarakhand (6 districts), West Bengal (7 districts)	₹ 5.54 crore	Direct expenditure: ₹ 5.56 crore Overheads: Nil	₹ 23.33 crore (since 2015-16)	Direct and through implementing agencies
a.	Promoting digital financial literacy & awareness						
b.	Promoting education and skills in remote schools						
c.	Welfare activities for War Widows						
d.	Skill Development program for underprivileged youth						

5. CSR Project or Activity No. identified	Sector in which the Project is covered	Projects or Programs	Amount Outlay (Budget) Project or programs wise	Amount Spent on the Projects or programs Sub-heads:		Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
				(1) Direct Expenditure on Projects or Programs	(2) Overheads		
		(1) Local area or other (2) Specify the State and district where projects or programs was undertaken					
4	Health and Sanitation: a. Disaster Relief Activities b. Health camps	Promoting preventive healthcare and sanitation & making available safe drinking water – Skill Development	₹ 0.45 crore	Direct expenditure: ₹ 0.31 crore Overheads: Nil	₹ 0.31 crore (For 2018-19)	Direct and through implementing agencies	
5	MSME Sector building program: Contribute to MSME sector capabilities enhancement through knowledge based skills development.	1. Local area (31 districts) 2. Andhra Pradesh (2 districts), Assam (1 district), Chattisgarh (1 district), Delhi (1 district), Gujarat (5 districts), Haryana (1 district), Jharkhand (2 districts), Karnataka (2 districts), Kerala (2 districts), Madhya Pradesh (1 district), Maharashtra (2 districts), Odisha (1 district), Punjab (1 district), Rajasthan (2 districts), Tamil Nadu (3 districts), Telangana (1 district), Uttar Pradesh (2 districts), West Bengal (1 district)	₹ 3.00 crore	Direct expenditure: ₹ 1.42 crore Overheads: Nil	₹ 11.58 crore (since 2014-15)	Direct	
6	Financial inclusion & Literacy program: a. Financial literacy initiatives to create awareness and educate various sections of society, especially those which do not have access to banking system, on personal financial management	1. Local area (43 districts) and Others (Nil) 2. Bihar (9 districts), Jharkhand (5 districts), Karnataka (5 districts), Madhya Pradesh (2 districts), Odisha (4 districts), Uttar Pradesh (14 districts), West Bengal (4 districts)	₹ 1.84 crore	Direct expenditure: ₹ 1.84 crore Overheads: Nil	₹ 123.25 crore (since 2014-15)	Through implementing agencies	
7	Administrative expenses: Administrative and other expenses including salaries and training cost for the Bank's CSR personnel, training and capacity building of implementation partners and staff cost for CSR initiatives up to 5% of overall CSR Expenditure TOTAL	Allowed under Rule 4, sub-rule 6 of CSR Rules 2014 Not Applicable	₹ 3.24 crore	Direct expenditure: Nil Overheads: ₹ 2.04 crore	₹ 10.96 crore (since 2014-15)	Direct	
			₹ 134.98 crore	₹ 137.59 crore	₹ 850.82 crore		

\*Give details of implementing agency: The details of partners of Axis Bank Foundation are available at <http://www.axisbankfoundation.org/partners/livelihood.html>

# Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
**The Members**  
**Axis Bank Limited**  
Trishul, 3<sup>rd</sup> Floor,  
Opp. Samartheshwar Temple,  
Law Garden Ellisbridge,  
Ahmedabad – 380 006  
Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Bank Limited -CIN No. L65110GJ1993PLC020769** (hereinafter called the 'Bank') for the audit period covering **April 01, 2018 to March 31, 2019**, (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the audit period, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,



- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (g) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992; and
  - (h) The Securities and Exchange Board of India (Banker to Issue) Regulations, 1994.
- (vi) The Banking Regulation Act, 1949, as specifically applicable to the Bank

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to Board Meetings and General Meetings.

During the audit period, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Bank:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

### **We further report that –**

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the audit period the following changes took place in the Composition of the Board of Directors.

1. Shri Prasad R. Menon, Independent Director of the Bank has ceased to hold office as an Independent Director of the Bank, with effect from the close of business hours on Monday, 8<sup>th</sup> October 2018.
2. The Board of Directors in its meeting held on November 2, 2018 approved appointment of Shri Girish Paranjpe as an Additional Independent Director of the Bank, with effect from 2<sup>nd</sup> November 2018 upto 1<sup>st</sup> November 2022 (both days inclusive). The said appointment was approved by the Shareholders of the Bank through Postal Ballot on 17<sup>th</sup> January 2019.
3. The Board of Directors in its meeting held on 8<sup>th</sup> December 2018 approved appointment of Shri Amitabh Chaudhry as an Additional Director of the Bank and as the Managing Director & CEO of the Bank, for a period of 3 years, with effect from 1<sup>st</sup> January 2019 up to 31<sup>st</sup> December 2021 (both days inclusive). The said appointment was approved by the Reserve Bank of India and by the Shareholders of the Bank, through Postal Ballot on 17<sup>th</sup> January 2019.
4. The Board of Directors in its meeting held on 8<sup>th</sup> December 2018 approved the re-appointment of Prof. Samir Barua, Shri Som Mittal and Shri Rohit Bhagat as Independent Directors of the Bank for their second consecutive term with effect from 1<sup>st</sup> April 2019. The said re-appointments were approved by the Shareholders of the Bank, through Postal Ballot on 17<sup>th</sup> January 2019.
5. 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 the close of business hours on 20<sup>th</sup> December 2018.

6. Smt. Shikha Sharma, Managing Director & CEO of the Bank has retired from the services of the Bank and has accordingly ceased to be the Managing Director & CEO of the Bank, with effect from the close of business hours on 31<sup>st</sup> December 2018.
7. The Board of Directors of the Bank at its meeting held on 12<sup>th</sup> March 2019, approved the appointment of Shri Rakesh Makhija, Independent Director as the Non-Executive (Part-time) Chairman of the Bank, for a period of 3 years, with effect from 18<sup>th</sup> July 2019 upto 17<sup>th</sup> July 2022 (both days inclusive), subject to the approval of the Reserve Bank of India and the Shareholders of the Bank.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, prior consent thereof were obtained, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Bank and its Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors of the Bank during the audit period.

**We further report that –**

There are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

**We further report that –**

During the audit period, the Bank has allotted equity shares under ESOS, as follows:

1. During the Quarter 1 i.e. from April 01, 2018 to June 30, 2018 an aggregate 14,01,750 equity shares of ₹ 2/- each were allotted.
2. During the Quarter 2 i.e. from July 01, 2018 to September 30, 2018 an aggregate of 11,74,530 equity shares of ₹ 2/- each were allotted.
3. During the Quarter 3 i.e. from October 01, 2018 to December 31, 2018 an aggregate of 7,94,555 equity shares of ₹ 2/- each were allotted.
4. During the Quarter 4 i.e. from January 01, 2019 to March 31, 2019 an aggregate of 17,35,100 equity shares of ₹ 2/- each were allotted.

**We further report that** the Committee of Whole Time Directors through its Circular Resolution passed on 28<sup>th</sup> December 2018 approved the allotment of 30,000 Senior Unsecured Redeemable Non-Convertible Debentures (Series- 4) of ₹ 10 lakh each for cash at par aggregating to ₹ 3000 crore on a private placement basis.

**For BNP & Associates**  
Company Secretaries

**B Narasimhan**  
Partner

Place: Mumbai  
Date: 26<sup>th</sup> April 2019

FCS No : 1303  
COP No : 10440

*Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

# Annexure A

To,  
The Members,  
Axis Bank Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Axis Bank Limited (the 'Bank') is the responsibility of the management of the Bank. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Bank. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Bank, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For BNP & Associates  
Company Secretaries

B Narasimhan  
Partner

FCS No : 1303  
COP No :10440

Place: Mumbai  
Date: 26<sup>th</sup> April 2019

# Certificate

Pursuant to regulation 34(3) and Schedule V Para C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

To  
**The Members**  
**Axis Bank Limited**

Trishul, 3<sup>rd</sup> Floor,  
Opp. Samartheshwar Temple,  
Law Garden Ellisbridge,  
Ahmedabad – 380 006  
Gujarat

We have examined the relevant books, papers, minute books, forms and returns filed, Notices received from the Directors during the financial Year 2018-19, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives of **Axis Bank Limited CIN No. L65110GJ1993PLC020769** (hereinafter called the 'Bank') having its Registered office at Trishul, 3<sup>rd</sup> Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad, Gujarat for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 (LODR), as amended vide notification no [SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors stated below who are on the Board of the Company as on 31<sup>st</sup> March 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by Securities and Exchange Board of India or The Ministry of Corporate Affairs or any such other statutory authority.

S. No.	Name of the Director	DIN	Date of Appointment in the Company
1	Dr. Sanjiv Misra	03075797	08.03.2013
2	Shri Amitabh Chaudhry	00531120	01.01.2019
3	Shri Samirkumar Barua	00211077	22.07.2011
4	Shri Som Mittal	00074842	22.10.2011
5	Shri Rohit Bhagat	02968574	16.01.2013
6	Smt. Usha Sangwan	02609263	17.10.2013
7	Shri Srinivasan Vishvanathan	02255828	11.02.2015
8	Shri Rakesh Makhija	00117692	27.10.2015
9	Smt. Ketaki Bhagwati	07367868	19.01.2016
10	Shri Baburao Busi	00425793	19.01.2016
11	Shri Stephen Pagliuca	07995547	19.12.2017
12	Shri Girish Paranjpe	02172725	02.11.2018
13	Shri Rajiv Anand	02541753	12.05.2016
14	Shri Rajesh Kumar Dahiya	07508488	12.05.2016

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates  
Company Secretaries

**B Narasimhan**  
Partner

FCS No : 1303  
COP No : 10440

Place: Mumbai  
Date: 26<sup>th</sup> April 2019

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# Independent Auditor's Report

To the Members of Axis Bank Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Axis Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2019, the Profit and Loss Account and the Cash Flow Statement for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2019, its profit and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Procedure performed
<b>IT Controls Framework</b> Axis Bank has a complex IT architecture to support its day to day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process. Each application has different rules incorporated in it and a different set of user access and authority matrix. These applications are interlinked using different technologies. Data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect financial reporting.	IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business centric. As a part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification, Authentication Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions. We gathered a comprehensive understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.

Key Audit Matter	Procedure performed
<p>The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).</p> <p>We regard this area as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on a financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<p>In ITGC testing we reviewed, on sample basis, control areas such as User Management, Change Management, Systems Security, Incident Management, Physical &amp; Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</p> <p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.</p> <p>We tested the control environment using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples of instances for our tests.</p> <p>Wherever deviations were noted either the same were explained to our satisfaction or we suitably modified our testing procedures to draw comfort.</p>
<p><b>Provisions and Write off of Advances</b></p> <p>The Bank's portfolio of advances to customers amounts to ₹4,94,79,797 Lacs as at March 31, 2019 comprising of ₹2,37,22,782 Lacs towards its Corporate Customers ("Wholesale Banking" customers) and ₹2,57,57,015 Lacs towards its Retail Customers ("Retail Banking" customers). As required under Income Recognition, Asset Classification and provisioning norms (IRAC norms) and other circulars, notifications and directives issued by the Reserve Bank of India (RBI), the Bank classifies advances into performing and non-performing advances which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.</p> <p>The Bank, on case to case basis, as per it's governing framework, identifies standard advances which require higher provision based on its evaluation of risk and internal ratings. The Bank also identifies sectors wherein the Bank perceives stress and makes higher provisions. Additionally, the Bank also identifies accounts which are to be technical written off based on the framework approved by the Bank's Board of Directors.</p> <p>The provisions for such advances and technical write off is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across a wide range of borrowers, products, industries and geographies and there is a high degree of complexity and judgement involved in recoverability of advances, estimating the provisions thereon and identification of accounts to be written off.</p> <p>The same resulted in significant audit effort to address the risks around loan recoverability and the determination of related provisions and write off.</p>	<p><i>Provisions for Corporate advances against specific individual loans (Wholesale Banking)</i></p> <ol style="list-style-type: none"> <li>Testing the key controls over borrower risk grading for wholesale loans (larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing advances. <ul style="list-style-type: none"> <li>We tested on sample basis, the approval of new lending facilities against the Bank's credit policies, the performance of annual loan assessments, and controls over the monitoring of credit quality.</li> <li>We have assessed the process for classification by the management including identification of non-performing assets.</li> <li>We tested on sample basis loans to form our own assessment as to whether impairment events had occurred and to assess whether impairments had been identified in a timely manner.</li> <li>For the selected non-performing loans, we assessed management's forecast and inputs of recoverable cash flows, valuation of underlying security and collaterals, estimates of recoverable amounts on default and other sources of repayment.</li> </ul> <p>This included testing controls over the identification of exposures showing signs of stress, either due to internal factors specific to the borrower or external macroeconomic factors, and testing the timeliness of and the accuracy of risk assessments and risk grading against the requirements of the Bank's lending policies and RBI IRAC norms.</p> </li> <li>Performing credit assessments of a sample of corporate loans managed by a specialised group assessed as high risk or impaired, focusing on larger exposures assessed by the Bank as showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We challenged the Bank's risk grading of the loan, their assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability.</li> </ol>

Key Audit Matter	Procedure performed
	<p data-bbox="794 271 1449 327"><i>Provisions for Retail advances against specific individual loans (Retail Banking)</i></p> <p data-bbox="794 337 1449 658">For retail loans (smaller customer exposures not monitored individually), testing controls over the systems which record lending arrears, group exposures into delinquency buckets based on the number of days loans are overdue, and calculate individual provisions. We tested automated calculation and change management controls and evaluated the Bank's oversight of the portfolios, with a focus on controls over delinquency statistics monitoring. We tested on sample basis the level of provisions held against different loan products based on the delinquency profile and challenged assumptions made in respect of expected recoveries, primarily from collateral held. We also carried out extensive data analytics procedures to identify exceptions and outliers.</p> <p data-bbox="794 669 1366 696"><i>Provisions estimated across loan portfolios (collective provision)</i></p> <ol data-bbox="794 706 1449 1089" style="list-style-type: none"> <li>1. Testing the Bank's processes for making collective provision</li> <li>2. Review of the Policy for higher provision for weak standard advances and stressed sectors adopted by the Bank</li> <li>3. Validating the parameters used to calculate collective provisions with reference to IRAC norms and internal policy on higher provisions on weak standard advances;</li> <li>4. Testing the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;</li> <li>5. Re-performing, for a sample of retail and wholesale portfolios, the calculation of collective provisions, to determine the accuracy of the same.</li> </ol> <p data-bbox="794 1100 1158 1127"><i>Technical write off across loan portfolios</i></p> <p data-bbox="794 1137 1449 1274">The Bank has adopted a framework for technical write off. We reviewed the framework and understood the process for identification of loan portfolios to be technically written off. We tested on sample basis, the accounts identified during the year to be written off for compliance with the aforesaid framework.</p>

### Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report forming part of the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures). The Director's Report is expected to be made available to us after the date of this report.

Our opinion on the standalone financial statements does not cover the other information and the Basel III disclosures and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows



of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder, provision of section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The standalone financial statements of the Bank for the previous year ended March 31, 2018, were audited by another firm of Chartered Accountants who have expressed an unmodified opinion on those statements vide their report dated April 26, 2018.

### **Report on Other Legal and Regulatory Requirements**

- (1) The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
- (2) As required under section 143 (3) of the Act and Section 30(3) of the Banking Regulation Act, 1949, we report that:
  - a. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - b. In our opinion, the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - c. The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 120 branches for the purpose of our audit;
  - d. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
  - e. The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - f. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with the accounting policies prescribed by RBI;
  - g. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, we give our separate report in "Annexure";
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, requirements prescribed under section 197 of the Act is not applicable by virtue of section 35B (2A) of the Banking Regulation Act, 1949.

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Schedule 12 - Contingent Liabilities to the standalone financial statements;
  - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.103523W / W100048

**Purushottam Nyati**

Partner

Membership No. 118970

Place: Mumbai

Date: April 25, 2019

# Annexure to the Independent Auditor's Report

[Referred to in paragraph 3 (h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Axis Bank Limited on the standalone Financial Statements for the year ended March 31, 2019]

## **Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Standalone Financial Statements of Axis Bank Limited ("the Bank") as of March 31, 2019 in conjunction with our audit of the standalone Financial Statements of the Bank for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Standalone Financial Statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Bank's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Bank has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2019, based on the internal control with reference to Standalone Financial Statements criteria established by the Bank considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

#### **For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.103523W/W100048

#### **Purushottam Nyati**

Partner

Membership No. 118970

Place: Mumbai

Date: April 25, 2019

# Balance Sheet

As at 31 March, 2019

(₹ in Thousands)

	Schedule No.	As at 31-03-2019	As at 31-03-2018
<b>Capital and Liabilities</b>			
Capital	1	5,143,290	5,133,078
Reserves & Surplus	2	661,619,666	629,319,518
Deposits	3	5,484,713,409	4,536,227,223
Borrowings	4	1,527,757,792	1,480,161,446
Other Liabilities and Provisions	5	330,731,159	262,454,534
<b>Total</b>		<b>8,009,965,316</b>	<b>6,913,295,799</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of India	6	350,990,339	354,810,577
Balances with Banks and Money at Call and Short Notice	7	321,056,014	79,738,329
Investments	8	1,749,692,759	1,538,760,827
Advances	9	4,947,979,721	4,396,503,045
Fixed Assets	10	40,366,358	39,716,792
Other Assets	11	599,880,125	503,766,229
<b>Total</b>		<b>8,009,965,316</b>	<b>6,913,295,799</b>
Contingent Liabilities	12	7,557,652,685	7,352,976,985
Bills for Collection		519,728,573	495,656,026
Significant Accounting Policies and Notes to Accounts	17 & 18		
Schedules referred to above form an integral part of the Balance Sheet			

In terms of our report attached.

For Axis Bank Ltd.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.: 103523W/W100048

**Sanjiv Misra**

Chairman

**Purushottam Nyati**

Partner

Membership No.: 118970

**Samir K. Barua**

Director

**S. Vishvanathan**

Director

**B. Babu Rao**

Director

**Amitabh Chaudhry**

Managing Director & CEO

Date: 25 April, 2019

Place: Mumbai

**Girish V. Koliyote**

Company Secretary

**Jairam Sridharan**

Chief Financial Officer

**Rakesh Makhija**

Director

**Girish Paranjpe**

Director

# Profit & Loss Account

For the year ended 31 March, 2019

(₹ in Thousands)

	Schedule No.	Year ended 31-03-2019	Year ended 31-03-2018
<b>I Income</b>			
Interest earned	13	549,857,707	457,803,123
Other income	14	131,303,394	109,670,865
<b>Total</b>		<b>681,161,101</b>	<b>567,473,988</b>
<b>II Expenditure</b>			
Interest expended	15	332,775,970	271,625,818
Operating expenses	16	158,334,077	139,903,398
Provisions and contingencies	18 (1.1.1)	143,284,971	153,187,959
<b>Total</b>		<b>634,395,018</b>	<b>564,717,175</b>
<b>III Net Profit for the year (I - II)</b>		46,766,083	2,756,813
Balance in Profit & Loss Account brought forward from previous year		230,430,518	244,483,275
<b>IV Amount Available for Appropriation</b>		<b>277,196,601</b>	<b>247,240,088</b>
<b>V Appropriations:</b>			
Transfer to Statutory Reserve		11,691,521	689,203
Transfer to/(from) Investment Reserve		(1,034,894)	1,034,894
Transfer to Capital Reserve	18 (1.2.1)	1,250,935	1,016,559
Transfer to Reserve Fund	18 (1.2.3)	6,280	16,158
Transfer to Investment Fluctuation Reserve	18 (1.2.2)	6,000,000	-
Dividend paid (includes tax on dividend)	18 (1.2.6)	-	14,052,756
Balance in Profit & Loss Account carried forward		259,282,759	230,430,518
<b>Total</b>		<b>277,196,601</b>	<b>247,240,088</b>
<b>VI Earnings per Equity Share</b>	18 (1.2.4)		
(Face value ₹ 2/- per share)			
Basic (in ₹)		18.20	1.13
Diluted (in ₹)		18.09	1.12
Significant Accounting Policies and Notes to Accounts	17 & 18		
Schedules referred to above form an integral part of the Profit and Loss Account			

In terms of our report attached.

For Axis Bank Ltd.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No.: 103523W/W100048

Sanjiv Misra

Chairman

Purushottam Nyati

Partner

Membership No.: 118970

Samir K. Barua

Director

S. Vishvanathan

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director & CEO

Date: 25 April, 2019

Place: Mumbai

Girish V. Koliyote

Company Secretary

Jairam Sridharan

Chief Financial Officer

Rakesh Makhija

Director

Girish Paranjpe

Director

# Cash Flow Statement

For the year ended 31 March, 2019

(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
<b>Cash flow from operating activities</b>		
Net profit before taxes	69,740,881	1,215,715
<b>Adjustments for:</b>		
Depreciation on fixed assets	7,097,249	5,680,974
Depreciation on investments	3,000,160	(2,110,133)
Amortisation of premium on Held to Maturity investments	3,207,410	2,819,661
Provision for Non Performing Assets (including bad debts)	102,214,828	165,987,074
Provision on standard assets	8,097,890	(1,350,017)
Provision on unhedged foreign currency exposure	187,900	(93,000)
Profit/(loss) on sale of land, buildings and other assets (net)	229,014	163,809
Provision for country risk	-	(199,434)
Provision for restructured assets/strategic debt restructuring/sustainable structuring	(196,572)	(3,071,587)
Provision for other contingencies	7,005,966	(4,433,847)
Dividend from Subsidiaries	(1,311,000)	(2,560,608)
	<b>199,273,726</b>	<b>162,048,607</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in investments	(40,070,291)	(174,381,077)
(Increase)/Decrease in advances	(649,869,997)	(811,747,986)
Increase /[(Decrease) in deposits	948,486,186	392,439,345
(Increase)/Decrease in other assets	(106,579,694)	(16,147,141)
Increase/(Decrease) in other liabilities & provisions	52,991,110	8,353,896
Direct taxes paid	(28,561,806)	(30,059,243)
<b>Net cash flow from operating activities</b>	<b>375,669,234</b>	<b>(469,493,599)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(8,316,648)	(8,224,338)
(Increase)/Decrease in Held to Maturity investments	(178,957,069)	(89,688,722)
Purchase of Freecharge business	-	(3,954,556)
Increase in Investment in Subsidiaries	(1,934,115)	(3,250,000)
Proceeds from sale of fixed assets	531,616	114,565
Dividend from Subsidiaries	1,311,000	2,560,608
<b>Net cash used in investing activities</b>	<b>(187,365,216)</b>	<b>(102,442,443)</b>



(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) from issue of subordinated debt, perpetual debt & upper Tier II instruments (net)	(17,000,000)	81,109,364
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments)(net)	64,596,346	348,743,388
Proceeds from issue of share capital	10,212	343,006
Proceeds from share premium (net of share issue expenses)	1,706,853	87,864,789
Payment of dividend (including dividend distribution tax)	-	(14,052,756)
<b>Net cash generated from financing activities</b>	<b>49,313,411</b>	<b>504,007,791</b>
Effect of exchange fluctuation translation reserve	(119,982)	(84,674)
Net increase in cash and cash equivalents	237,497,447	(68,012,925)
Cash and cash equivalents at the beginning of the year	434,548,906	502,561,831
<b>Cash and cash equivalents at the end of the year</b>	<b>672,046,353</b>	<b>434,548,906</b>
<b>Notes to the Cash Flow Statement:</b>		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	350,990,339	354,810,577
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	321,056,014	79,738,329
<b>Cash and cash equivalents at the end of the year</b>	<b>672,046,353</b>	<b>434,548,906</b>
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹137.02 crores (previous year ₹126.50 crores)		

In terms of our report attached.

For Axis Bank Ltd.

For Haribhakti &amp; Co. LLP

Chartered Accountants

Firm Registration No.: 103523W/W100048

Sanjiv Misra

Chairman

Purushottam Nyati

Partner

Membership No.: 118970

Samir K. Barua

Director

S. Vishvanathan

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director &amp; CEO

Date: 25 April, 2019

Place: Mumbai

Girish V. Koliyote

Company Secretary

Jairam Sridharan

Chief Financial Officer

Rakesh Makhija

Director

Girish Paranjpe

Director

# Schedules forming part of the Balance Sheet

As at 31 March, 2019

## Schedule 1 - Capital

	(₹ in Thousands)	
	As at 31-03-2019	As at 31-03-2018
<b>Authorised Capital</b>		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
<b>Issued, Subscribed and Paid-up capital</b>		
2,571,644,871 (Previous year - 2,566,538,936) Equity Shares of ₹2/- each fully paid-up	5,143,290	5,133,078

## Schedule 2 - Reserves and Surplus

	(₹ in Thousands)	
	As at 31-03-2019	As at 31-03-2018
<b>I. Statutory Reserve</b>		
Opening Balance	115,759,726	115,070,523
Additions during the year	11,691,521	689,203
	<b>127,451,247</b>	<b>115,759,726</b>
<b>II. Share Premium Account</b>		
Opening Balance	257,890,520	170,025,731
Additions during the year	1,706,853	88,122,658
Less: Share issue expenses	-	(257,869)
	<b>259,597,373</b>	<b>257,890,520</b>
<b>III. Investment Reserve Account</b>		
Opening Balance	1,034,894	-
Additions during the year	-	1,034,894
Deductions during the year	(1,034,894)	-
	<b>-</b>	<b>1,034,894</b>
<b>IV. General Reserve</b>		
Opening Balance	3,543,100	3,543,100
Additions during the year	-	-
	<b>3,543,100</b>	<b>3,543,100</b>
<b>V. Capital Reserve</b>		
Opening Balance	19,672,954	18,656,395
Additions during the year [Refer Schedule 18 (1.2.1)]	1,250,935	1,016,559
	<b>20,923,889</b>	<b>19,672,954</b>
<b>VI. Foreign Currency Translation Reserve [Refer Schedule 17 (5.5)]</b>		
Opening Balance	912,832	997,506
Additions during the year	-	-
Deductions during the year	(119,982)	(84,674)
	<b>792,850</b>	<b>912,832</b>
<b>VII. Reserve Fund</b>		
Opening Balance	74,974	58,816
Additions during the year [Refer Schedule 18 (1.2.3)]	6,280	16,158
	<b>81,254</b>	<b>74,974</b>
<b>VIII. Investment Fluctuation Reserve</b>		
Opening Balance	-	-
Additions during the year [Refer Schedule 18 (1.2.2)]	6,000,000	-
	<b>6,000,000</b>	<b>-</b>
<b>IX. Balance in Profit &amp; Loss Account brought forward</b>	259,282,759	230,430,518
Adjustments during the year*	(16,052,806)	-
Balance in Profit & Loss Account	<b>243,229,953</b>	<b>230,430,518</b>
<b>Total</b>	<b>661,619,666</b>	<b>629,319,518</b>

\* represents provision towards Land held as non-banking asset which will be reversed and recognised through profit and loss account in the subsequent quarters of the next financial year as advised by RBI. Refer Schedule 18 (1.1.44)

**Schedule 3 - Deposits**

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
A. I. Demand Deposits		
(i) From banks	47,219,608	58,821,218
(ii) From others	845,433,682	897,674,284
II. Savings Bank Deposits	1,541,288,064	1,482,020,475
III. Term Deposits		
(i) From banks	232,371,412	125,623,957
(ii) From others	2,818,400,643	1,972,087,289
<b>Total</b>	<b>5,484,713,409</b>	<b>4,536,227,223</b>
B. I. Deposits of branches in India	5,466,197,810	4,513,153,671
II. Deposits of branches outside India	18,515,599	23,073,552
<b>Total</b>	<b>5,484,713,409</b>	<b>4,536,227,223</b>

**Schedule 4 - Borrowings**

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Borrowings in India		
(i) Reserve Bank of India	144,000,000	61,000,000
(ii) Other banks #	2,785,000	12,017,000
(iii) Other institutions & agencies **	683,583,472	687,948,202
II. Borrowings outside India	697,389,320	719,196,244
<b>Total</b>	<b>1,527,757,792</b>	<b>1,480,161,446</b>
Secured borrowings included in I & II above	144,000,000	65,837,380

# Borrowings from other banks include Subordinated Debt of ₹35.00 crores (previous year ₹35.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹50.00 crores (previous year ₹50.00 crores) [Refer Note 18 (1.1.2)]

\*\* Borrowings from other institutions & agencies include Subordinated Debt of ₹19,470.00 crores (previous year ₹21,170.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹6,950.00 crores (previous year ₹6,950.00 crores) [Refer Note 18 (1.1.2)]

**Schedule 5 - Other Liabilities And Provisions**

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Bills payable	37,854,366	49,175,679
II. Inter-office adjustments (net)	-	-
III. Interest accrued	45,522,438	30,348,683
IV. Proposed dividend (includes tax on dividend) [Refer Schedule 17 (5.18) and Schedule 18 (1.2.6)]	-	-
V. Contingent provision against standard assets [Refer Schedule 17 (4.2) and Schedule 18 (1.1.9)]	30,404,383	22,075,241
VI. Others (including provisions)	216,949,972	160,854,931
<b>Total</b>	<b>330,731,159</b>	<b>262,454,534</b>

## Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Cash in hand (including foreign currency notes)	42,132,147	52,580,352
II. Balances with Reserve Bank of India		
(i) in Current Account	263,858,192	208,230,225
(ii) in Other Accounts	45,000,000	94,000,000
<b>Total</b>	<b>350,990,339</b>	<b>354,810,577</b>

## Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	2,419,842	1,199,457
(b) in Other Deposit Accounts	31,712,577	30,987,346
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	191,610,699	-
<b>Total</b>	<b>225,743,118</b>	<b>32,186,803</b>
II. Outside India		
(i) in Current Accounts	42,478,364	20,263,092
(ii) in Other Deposit Accounts	5,177,257	11,537,816
(iii) Money at Call & Short Notice	47,657,275	15,750,618
<b>Total</b>	<b>95,312,896</b>	<b>47,551,526</b>
<b>Grand Total (I+II)</b>	<b>321,056,014</b>	<b>79,738,329</b>

## Schedule 8 - Investments

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>I. Investments in India in -</b>		
(i) Government Securities <sup>##</sup>	1,168,229,051	1,013,545,679
(ii) Other approved securities	-	-
(iii) Shares	9,594,584	15,255,309
(iv) Debentures and Bonds	392,845,209	306,537,689
(v) Investment in Subsidiaries/Joint Ventures	18,027,821	17,931,421
(vi) Others (Mutual Fund units, CD/CP, PTC etc.)	112,641,005	152,548,130
<b>Total Investments in India</b>	<b>1,701,337,670</b>	<b>1,505,818,228</b>
<b>II. Investments outside India in -</b>		
(i) Government Securities (including local authorities)	34,164,807	26,984,150
(ii) Subsidiaries and/or Joint Ventures abroad	4,833,428	2,995,712
(iii) Others (Equity Shares and Bonds)	9,356,854	2,962,737
<b>Total Investments outside India</b>	<b>48,355,089</b>	<b>32,942,599</b>
<b>Grand Total (I+II)</b>	<b>1,749,692,759</b>	<b>1,538,760,827</b>

<sup>##</sup> Includes securities costing ₹29,283.94 crores (previous year ₹27,588.43 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

## Schedule 9 - Advances

(₹ in Thousands)

		As at 31-03-2019	As at 31-03-2018
A.	(i) Bills purchased and discounted	155,366,966	128,131,247
	(ii) Cash credits, overdrafts and loans repayable on demand	1,503,567,259	1,381,341,566
	(iii) Term loans #	3,289,045,496	2,887,030,232
	<b>Total</b>	<b>4,947,979,721</b>	<b>4,396,503,045</b>
B.	(i) Secured by tangible assets \$	3,535,163,307	3,094,017,064
	(ii) Covered by Bank/Government Guarantees &&	33,887,710	37,502,934
	(iii) Unsecured	1,378,928,704	1,264,983,047
	<b>Total</b>	<b>4,947,979,721</b>	<b>4,396,503,045</b>
C.	I. Advances in India		
	(i) Priority Sector	1,188,930,411	986,081,073
	(ii) Public Sector	65,894,406	48,271,057
	(iii) Banks	43,110,224	32,204,558
	(iv) Others	3,268,892,314	2,792,292,698
	<b>Total</b>	<b>4,566,827,355</b>	<b>3,858,849,386</b>
	II. Advances Outside India		
	(i) Due from banks	20,815,655	78,991,174
	(ii) Due from others -		
	(a) Bills purchased and discounted	23,843,213	32,721,313
	(b) Syndicated loans	47,840,704	77,652,080
	(c) Others	288,652,794	348,289,092
	<b>Total</b>	<b>381,152,366</b>	<b>537,653,659</b>
	<b>Grand Total (CI+CII)</b>	<b>4,947,979,721</b>	<b>4,396,503,045</b>

# Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹2,750.00 crores (previous year ₹1,399.00 crores), includes lending under IBPC ₹3,529.50 crores (previous year ₹1,303.32 crores)

\$ Includes advances against book debts

&& Includes advances against L/Cs issued by banks

## Schedule 10 - Fixed Assets

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>I. Premises</b>		
<b>Gross Block</b>		
At cost at the beginning of the year	18,330,983	18,330,983
Additions during the year	169,308	-
Deductions during the year	(583,276)	-
<b>Total</b>	<b>17,917,015</b>	<b>18,330,983</b>
<b>Depreciation</b>		
As at the beginning of the year	1,470,027	1,165,354
Charge for the year	292,302	304,673
Deductions during the year	(121,930)	-
Depreciation to date	1,640,399	1,470,027
<b>Net Block</b>	<b>16,276,616</b>	<b>16,860,956</b>
<b>II. Other fixed assets (including furniture &amp; fixtures)</b>		
<b>Gross Block</b>		
At cost at the beginning of the year	52,204,387	45,796,606
Additions during the year*	8,999,163	7,573,015
Deductions during the year	(850,608)	(1,165,234)
<b>Total</b>	<b>60,352,942</b>	<b>52,204,387</b>
<b>Depreciation</b>		
As at the beginning of the year	32,809,459	28,302,892
Charge for the year	6,804,946	5,376,301
Deductions during the year	(624,283)	(869,734)
Depreciation to date	38,990,122	32,809,459
<b>Net Block</b>	<b>21,362,820</b>	<b>19,394,928</b>
<b>III. CAPITAL WORK-IN-PROGRESS (including capital advances)</b>	<b>2,726,922</b>	<b>3,460,908</b>
<b>Grand Total (I+II+III)</b>	<b>40,366,358</b>	<b>39,716,792</b>

\* includes movement on account of exchange rate fluctuation

## Schedule 11 - Other Assets

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	70,941,386	56,655,247
III. Tax paid in advance/tax deducted at source (net of provisions)	15,911,960	17,448,539
IV. Stationery and stamps	3,057	3,829
V. Non banking assets acquired in satisfaction of claims <sup>\$</sup>	87,276	22,086,151
VI. Others <sup>#@</sup>	512,936,446	407,572,463
<b>Total</b>	<b>599,880,125</b>	<b>503,766,229</b>

# Includes deferred tax assets of ₹7,640.73 crores (previous year ₹6,876.35 crores) [Refer Schedule 18 (1.2.11)]

@ Includes Priority Sector Shortfall Deposits of ₹28,161.77 crores (previous year ₹21,479.30 crores)

<sup>\$</sup> Represents balance net of provision of ₹2,208.61 crores on Land held as non-banking asset and provision of ₹2.09 crores on other non banking assets (Previous year Nil)

**Schedule 12 - Contingent Liabilities**

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Claims against the Bank not acknowledged as debts	6,235,275	5,169,119
II. Liability for partly paid investments	18,000	216,000
III. Liability on account of outstanding forward exchange and derivative contracts:		
a) Forward Contracts	3,296,537,608	3,148,018,991
b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	2,375,871,342	1,960,694,522
c) Foreign Currency Options	464,047,739	593,425,900
<b>Total (a+b+c)</b>	<b>6,136,456,689</b>	<b>5,702,139,413</b>
IV. Guarantees given on behalf of constituents		
In India	680,528,970	762,933,813
Outside India	75,358,146	86,819,823
V. Acceptances, endorsements and other obligations	324,394,652	324,101,256
VI. Other items for which the Bank is contingently liable	334,660,953	471,597,561
<b>Grand Total (I+II+III+IV+V+VI) [Refer Schedule 18 (1.2.16)]</b>	<b>7,557,652,685</b>	<b>7,352,976,985</b>

# Schedules forming part of the Profit and Loss Account

For the year ended 31 March, 2019

## Schedule 13 - Interest Earned

(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
I. Interest/discount on advances/bills	413,220,214	341,374,719
II. Income on investments	113,490,713	99,833,027
III. Interest on balances with Reserve Bank of India and other inter-bank funds	6,933,458	3,878,262
IV. Others	16,213,322	12,717,115
<b>Total</b>	<b>549,857,707</b>	<b>457,803,123</b>

## Schedule 14 - Other Income

(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
I. Commission, exchange and brokerage	88,536,507	77,298,752
II. Profit/(Loss) on sale of investments (net) [Refer Schedule 18(1.2.1)]	7,581,014	13,251,603
III. Profit/(Loss) on sale of land, buildings and other assets (net)*	(229,013)	(163,809)
IV. Profit on exchange/derivative transactions (net)	14,867,360	14,286,958
V. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	1,311,000	2,560,608
VI. Miscellaneous Income [including recoveries on account of advances/investments written off in earlier years ₹1,867.45 crores (previous year ₹182.92 crores) and net profit on account of portfolio sell downs/securitisation ₹7.96 crores (previous year net loss of ₹0.64 crores)]	19,236,526	2,436,753
<b>Total</b>	<b>131,303,394</b>	<b>109,670,865</b>

\* includes provision for diminution in value of fixed assets

## Schedule 15 - Interest Expended

(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
I. Interest on deposits	237,075,125	191,735,198
II. Interest on Reserve Bank of India/Inter-bank borrowings	29,543,171	17,982,554
III. Others	66,157,674	61,908,066
<b>Total</b>	<b>332,775,970</b>	<b>271,625,818</b>

## Schedule 16 - Operating Expenses

(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
I. Payments to and provisions for employees	47,473,218	43,129,556
II. Rent, taxes and lighting	10,468,677	10,017,106
III. Printing and stationery	1,951,435	1,646,269
IV. Advertisement and publicity	1,018,137	1,536,459
V. Depreciation on bank's property	7,097,249	5,680,974
VI. Directors' fees, allowance and expenses	27,553	23,344
VII. Auditors' fees and expenses	14,616	18,697
VIII. Law charges	1,175,771	986,817
IX. Postage, telegrams, telephones etc.	2,962,177	3,119,630
X. Repairs and maintenance	10,549,779	8,291,777
XI. Insurance	6,003,052	5,535,110
XII. Other expenditure	69,592,413	59,917,659
<b>Total</b>	<b>158,334,077</b>	<b>139,903,398</b>



# 17 Significant Accounting Policies

For the year ended 31 March, 2019

## 1 Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of corporate and retail banking products. The Bank is primarily governed by the Banking Regulation Act, 1949. The Bank has overseas branches at Singapore, Hong Kong, DIFC - Dubai, Shanghai and Colombo and an Offshore Banking Unit at International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

## 2 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications and guidelines issued by RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India.

## 3 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

## 4 Change in accounting policies/estimates

### 4.1 Change in estimated useful life of fixed assets

During the year, the Bank has revised the estimated useful life of Electronic Data Capturing machines/Point of Sale terminals from 10 years to 5 years. As a result of the aforesaid revision, the depreciation charge for the year is higher by ₹29.34 crores with a corresponding decrease in the net block of fixed assets.

### 4.2 Provision on standard advances

With effect from 31 March 2019, in the case of provision on standard advances the Bank adopted a more stringent policy of maintaining provision on corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC, at rates that are higher than those prescribed by RBI. As a result, provisions and contingencies for the year are higher by ₹378 crores with a consequent reduction to the profit before tax.

## 5 Significant accounting policies

### 5.1 Investments

#### Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM')

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

However, for disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other approved securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others.

Investments made outside India are classified under three categories – Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

#### Transfer of security between categories

Transfer of security between categories of investments is accounted as per the RBI guidelines.

#### Acquisition cost

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

#### Valuation

*Investments classified under the HTM category:* Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. In terms of RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

*Investments classified under the AFS and HFT categories:* Investments under these categories are marked to market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per RBI guidelines.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:

- the market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities included in the AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL;

- in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the YTM for Government Securities as published by FIMMDA/PDAI/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose;
- in case of bonds and debentures (including Pass Through Certificates) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;
- equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company;
- units of Venture Capital Funds ('VCF') held under AFS category where current quotations are not available are valued based on the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF after 23 August, 2006 are categorised under HTM category for the initial period of three years and valued at cost as per RBI guidelines and
- in case of investments in security receipts on or after 1 April, 2017 which are backed by more than 50 percent of the stressed assets sold by the Bank, provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/Securitisation Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank. All other investments in security receipts are valued as per the NAV obtained from the issuing RC/SCs.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

#### Disposal of investments

*Investments classified under the HTM category:* Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

*Investments classified under the AFS and HFT categories:* Realised gains/losses are recognised in the Profit and Loss Account.

#### Repurchase and reverse repurchase transactions

Repurchase and reverse repurchase transactions in government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted as collateralised borrowing and lending respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

#### Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

## 5.2 Advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loan classified as NPAs, provisions in lieu of diminution in the fair value of restructured assets and floating provisions.

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception for agriculture advances and schematic retail advances. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI. Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are classified as NPAs based on host country guidelines, are made as per the host country regulations. In case of NPAs referred to National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code (IBC) where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time.

Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines.

Amounts recovered against debts written off are recognised in the Profit and Loss account and included under "Other Income".

The Bank holds provision in accordance with the RBI guidelines, on assets where change in ownership under Strategic Debt Restructuring (SDR) scheme/Outside SDR scheme has been implemented before 12 February, 2018 or Scheme for Sustainable Structuring of Stressed Asset (S4A) has been implemented before 12 February, 2018.

In respect of borrowers classified as non-cooperative and willful defaulters, the Bank makes accelerated provisions as per extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided immediately without considering the value of security.

For entities with Unhedged Foreign Currency Exposure (UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI other than for corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC, where general provision is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or RBI. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivatives at the rates prescribed by RBI.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of Equated Monthly Installments ('EMIs') of a specific period subject to fulfilment of a set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of waivers to eligible borrowers in respect of such loans based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

### 5.3 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose, the countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

### 5.4 Securitisation

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass through Certificate ('PTC') holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

In accordance with RBI guidelines of 7 May, 2012, on 'Guidelines on Securitisation of Standard Assets', gain on securitisation transaction is recognised over the period of the underlying securities issued by the SPV. Loss on securitisation is immediately debited to the Profit and Loss Account.

### 5.5 Foreign currency transactions

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the Balance Sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on PV basis by discounting the forward value till spot date and converting the FCY amount using the respective spot rates as notified by FEDAI. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

## **5.6 Derivative transactions**

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market (MTM)) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases, the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. Pursuant to the RBI guidelines, any receivables under derivative contracts comprising of crystallised receivables as well as positive Mark-to-Market (MTM) in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in separate Suspense Account.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant marked-to-market profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options (ETCO) is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

## **5.7 Revenue recognition**

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the RBI guidelines, except in the case of interest income on non-performing assets and loans under Strategic Debt Restructuring (SDR) scheme and Scheme for Sustainable Structuring of Stressed Asset (S4A) of RBI, where it is recognised on receipt basis if overdue for more than 90 days. Income on non-coupon bearing discounted instruments or low-coupon bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Guarantee commission is recognized on a pro-rata basis over the period of the guarantee. Locker rent and annual fees for credit cards are recognised on a straight-line basis over the period of contract. Arrangements/syndication fee is accounted for on completion of the agreed service and when right to receive is established. Other fees and commission income are recognised when due.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid/received for Priority Sector Lending Certificates ('PSLC') is amortised on straight-line basis over the tenor of the certificate.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion business on a consignment basis. The difference between the price recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on an accrual basis.

## 5.8 Fixed assets and depreciation/impairment

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on the straight-line method from the date of addition. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on historical experience of the Bank, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013.

Asset	Estimated useful life
Leased Land	As per the term of the agreement
Owned premises	60 years
Locker cabinets/cash safe/strong room door	10 years
EPABX, telephone instruments	8 years
Modem, scanner, routers, hubs, switches, racks/cabinets for IT equipment	5 years
UPS, VSAT, fax machines	5 years
Cheque book/cheque encoder, currency counting machine, fake note detector	5 years
Application software	5 years
Electronic Data Capture (EDC)/ Point of Sale (POS) machines	5 years
Vehicles	4 years
Computer hardware including printers	3 years
CCTV and video conferencing equipment	3 years
Assets at staff residence	3 years
Mobile phone	2 years
All other fixed assets	10 years

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Profit and Loss Account till the date of sale.

Profit on sale of premises is appropriated to Capital Reserve account (net of taxes and transfer to statutory reserve) in accordance with RBI instructions.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 5.9 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land and other immovable property. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions. Other non-banking assets are carried at lower of net book value and net realizable value.

## 5.10 Lease transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Lease income from assets given on operating lease is recognized as income in Profit and Loss account on a straight-line basis over the lease term.

## 5.11 Retirement and other employee benefits

### Provident Fund

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

### Gratuity

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although various insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. Liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year. In respect of employees at overseas branches (other than expatriates) liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

### Compensated Absences

Compensated absences are short term in nature for which provision is held on accrual basis.

### Superannuation

Employees of the Bank are entitled to receive retirement benefits under the Bank's Superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan, the Bank contributes annually a specified sum of 10% of the employee's eligible annual basic salary to LIC, which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

### New Pension Scheme ('NPS')

In respect of employees who opt for contribution to the 'NPS', the Bank contributes certain percentage of the total basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

## 5.12 Reward points

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing an independent actuary. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.



### 5.13 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

### 5.14 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

### 5.15 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

### 5.16 Employee stock option scheme

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have been repealed in the month of October, 2014 and were substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme is in compliance with the said regulations. The Bank follows the intrinsic value method to account for its stock based employee compensation plans as per the Guidelines. Options are granted at an exercise price, which is equal to/less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date, if any, is recognised as a deferred compensation cost and amortised on a straight-line basis over the vesting period of such options.

The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

### 5.17 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the

obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### **5.18 Accounting for dividend**

As per AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, the Bank does not account for proposed dividend (including tax) as a liability through appropriation from the profit and loss account. The same is recognised in the year of actual payout post approval of shareholders. However, the Bank reckons proposed dividend in determining capital funds in computing the capital adequacy ratio.

#### **5.19 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

# 18 Notes forming part of the Financial Statements

For the year ended 31 March, 2019

## 1.1 Statutory disclosures as per RBI

1.1.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

	(₹ in crores)	
For the year ended	31 March, 2019	31 March, 2018
Provision for income tax		
- Current tax	3,009.84	1,671.19
- Deferred tax (Refer 1.2.11)	(712.36)	(1,825.30)
	<b>2,297.48</b>	<b>(154.11)</b>
Provision for non-performing assets (including bad debts written off and write backs)	10,221.48	16,598.71
Provision for restructured assets/strategic debt restructuring/sustainable structuring	(19.66)	(307.16)
Provision towards standard assets	809.79	(135.00)
Provision for depreciation in value of investments	300.02	(211.01)
Provision for unhedged foreign currency exposure	18.79	(9.30)
Provision for country risk	-	(19.94)
Provision for other contingencies*	700.60	(443.39)
<b>Total</b>	<b>14,328.50</b>	<b>15,318.80</b>

\* includes provision for non-banking assets, legal cases and other contingencies

1.1.2 The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

	(₹ in crores)	
	31 March, 2019	31 March, 2018
Common Equity Tier I	62,238.37	60,476.35
Tier I	69,238.37	67,476.27
Tier II	18,221.21	18,298.59
<b>Total capital</b>	<b>87,459.58</b>	<b>85,774.86</b>
Total risk weighted assets and contingents	5,52,048.06	517,630.78
Capital ratios		
Common Equity Tier I	11.27%	11.68%
Tier I	12.54%	13.04%
Tier II	3.30%	3.53%
<b>CRAR</b>	<b>15.84%</b>	<b>16.57%</b>
<b>Amount of equity capital raised</b>	-	33.07*
<b>Amount of additional Tier I capital raised of which:</b>		
Perpetual Non-Cumulative Preference Shares (PNCPS)	-	-
Perpetual Debt Instruments (PDI) (details given below)	-	3,500.00
<b>Amount of Tier II capital raised of which:</b>		
Debt capital instrument (details given below)	-	5,000.00
Preferential capital instrument	-	-

\*excluding securities premium of ₹8,646.70 crores

During the year ended 31 March, 2019, the Bank has not raised debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March, 2018, the Bank raised debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	15 June, 2027	120 months	7.66% p.a.	₹5,000 crores
Perpetual debt	Additional Tier I	-*	-	8.75% p.a.	₹3,500 crores

\*Call option on expiry of 60 months from the date of allotment

During the year ended 31 March, 2019, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier II	7 November, 2018	120 months	11.75% p.a.	₹1,500 crores
Subordinated debt	Tier II	28 March, 2019	120 months	9.95%p.a.	₹200 crores

During the year ended 31 March, 2018, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Upper Tier-II	Tier II	28 June, 2017*	180 months	7.125% p.a.	\$60 million

\* represents call date

1.1.3 The key business ratios and other information is set out below:

As at	31 March, 2019	31 March, 2018
	%	%
Interest income as a percentage to working funds#	7.38	7.15
Non-interest income as a percentage to working funds#	1.76	1.71
Operating profit \$\$ as a percentage to working funds#	2.55	2.43
Return on assets (based on working funds#)	0.63	0.04
Business (deposits less inter-bank deposits plus advances) per employee**	₹16.53 crores	₹14.84 crores
Profit per employee**	₹7.61 lacs	₹0.47 lacs
Net non-performing assets as a percentage of net customer assets *	2.06	3.40

# Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year

\$\$ Operating profit represents total income as reduced by interest expended and operating expenses

\*\* Productivity ratios are based on average employee numbers for the year

\* Net Customer assets include advances and credit substitutes

1.1.4 The provisioning coverage ratio of the Bank computed in terms of the RBI guidelines as on 31 March, 2019 was 76.78% (previous year 65.05%).

1.1.5 Asset Quality

i) Net non-performing advances to net advances is set out below:

	31 March, 2019	31 March, 2018
	%	%
Net non-performing advances as a percentage of net advances	2.20	3.64

ii) Movement in gross non-performing assets is set out below:

(₹ in crores)

	31 March, 2019		
	Advances	Investments	Total
Gross NPAs as at the beginning of the year	30,876.32	3,372.32	34,248.64
Intra Category Transfer	(2.60)	2.60	-
Additions (fresh NPAs) during the year	13,510.75	360.34	13,871.09
<b>Sub-total (A)</b>	<b>44,384.47</b>	<b>3,735.26</b>	<b>48,119.73</b>
Less:-			
(i) Upgradations	4,982.66	90.94	5,073.60
(ii) Recoveries (excluding recoveries made from upgraded accounts)#	3,977.11	50.13	4,027.24
(iii) Technical/Prudential Write-offs	6,847.63	843.46	7,691.09
(iv) Write-offs other than those under (iii) above#	1,430.62	107.74	1,538.36
<b>Sub-total (B)</b>	<b>17,238.02</b>	<b>1,092.27</b>	<b>18,330.29</b>
<b>Gross NPAs as at the end of the year (A-B)</b>	<b>27,146.45</b>	<b>2,642.99</b>	<b>29,789.44</b>

# including sale of NPAs

(₹ in crores)

	31 March, 2018		
	Advances	Investments	Total
Gross NPAs as at the beginning of the year	20,045.66	1,234.82	21,280.48
Intra Category Transfer	(537.85)	537.85	-
Additions (fresh NPAs) during the year <sup>@</sup>	31,218.46	2,200.54	33,419.00
<b>Sub-total (A)</b>	<b>50,726.27</b>	<b>3,973.21</b>	<b>54,699.48</b>
Less:-			
(i) Upgradations <sup>@</sup>	4,740.13	169.71	4,909.84
(ii) Recoveries (excluding recoveries made from upgraded accounts)#	3,836.02	17.13	3,853.15
(iii) Technical/Prudential Write-offs	9,773.94	376.21	10,150.15
(iv) Write-offs other than those under (iii) above#	1,499.86	37.84	1,537.70
<b>Sub-total (B)</b>	<b>19,849.95</b>	<b>600.89</b>	<b>20,450.84</b>
<b>Gross NPAs as at the end of the year (A-B)</b>	<b>30,876.32</b>	<b>3,372.32</b>	<b>34,248.64</b>

@ Over the quarters ended 31 December, 2017 and 31 March, 2018, the Bank has changed its practice of reporting additions and upgradations to NPAs considering the days past due status of an account at the end of each day as against at the end of each quarter of a financial year, followed hitherto. Accordingly, the additions/upgradations to NPAs for FY 2017-18 shown above reflect this change prospectively over the respective periods.

# including sale of NPAs

iii) Movement in net non-performing assets is set out below:

(₹ in crores)

	31 March, 2019		
	Advances	Investments	Total
Opening balance at the beginning of the year	16,004.42	587.29	16,591.71
Additions during the year	3,958.27	(63.98)	3,894.29
Effect of exchange rate fluctuation	(76.29)	(8.74)	(85.03)
Reductions during the year	(9,120.94)	(142.36)	(9,263.30)
Interest Capitalisation – Restructured NPA Accounts	109.30	28.63	137.93
<b>Closing balance at the end of the year<sup>#</sup></b>	<b>10,874.76</b>	<b>400.84</b>	<b>11,275.60</b>

<sup>#</sup> net of balance outstanding in interest capitalisation-restructured NPA accounts amounting to ₹163.05 crores

(₹ in crores)

	31 March, 2018		
	Advances	Investments	Total
Opening balance at the beginning of the year	8,487.20	139.35	8,626.55
Additions during the year	15,539.27	742.22	16,281.49
Effect of exchange rate fluctuation	(5.70)	(1.91)	(7.61)
Reductions during the year	(8,202.20)	(253.75)	(8,455.95)
Interest Capitalisation – Restructured NPA Accounts	185.85	(38.62)	147.23
<b>Closing balance at the end of the year<sup>#</sup></b>	<b>16,004.42</b>	<b>587.29</b>	<b>16,591.71</b>

<sup>#</sup> net of balance outstanding in interest capitalisation-restructured NPA accounts amounting to ₹300.98 crores

iv) Movement in provisions for non-performing assets is set out below:

(₹ in crores)

	31 March, 2019		
	Advances	Investments	Total
Opening balance at the beginning of the year	14,744.08	2,611.87	17,355.95
Intra-Category Transfer	(2.60)	2.60	-
Provisions made during the year	9,552.47	424.32	9,976.79
Effect of exchange rate fluctuation	76.29	8.74	85.03
Transfer from restructuring provision	-	-	-
Write-offs/(write back) of excess provision*	(8,117.07)	(949.91)	(9,066.98)
<b>Closing balance at the end of the year</b>	<b>16,253.17</b>	<b>2,097.62</b>	<b>18,350.79</b>

\* includes provision utilised for sale of NPAs amounting to ₹469.58 crores

(₹ in crores)

	31 March, 2018		
	Advances	Investments	Total
Opening balance at the beginning of the year	11,244.79	960.93	12,205.72
Intra-Category Transfer	(434.71)	434.71	-
Provisions made during the year	15,543.21	1,561.46	17,104.67
Effect of exchange rate fluctuation	5.70	1.91	7.61
Transfer from restructuring provision	32.84	-	32.84
Write-offs/(write back) of excess provision*	(11,647.75)	(347.14)	(11,994.89)
<b>Closing balance at the end of the year</b>	<b>14,744.08</b>	<b>2,611.87</b>	<b>17,355.95</b>

\* includes provision utilised for sale of NPAs amounting to ₹552.14 crores

v) Movement in technical/prudential written off accounts is set out below:

(₹ in crores)

	31 March, 2019	31 March, 2018
Opening balance at the beginning of the year	13,221.26	3,221.08
Add: Technical/Prudential write-offs during the year*	7,691.09	10,150.15
<b>Sub-total (A)</b>	<b>20,912.35</b>	<b>13,371.23</b>
Less: Recovery made from previously technical/prudential written-off accounts during the year	1,724.46	91.33
Less: Sacrifice made from previously technical/prudential written-off accounts during the year	416.04	58.64
<b>Sub-total (B)</b>	<b>2,140.50</b>	<b>149.97</b>
<b>Closing balance at the end of the year (A-B)</b>	<b>18,771.85</b>	<b>13,221.26</b>

\* includes effect of exchange fluctuation for foreign currency loans written off in earlier years

vi) Total exposure (funded and non-funded) to top four non-performing assets is given below:

(₹ in crores)

	31 March, 2019	31 March, 2018
Total exposure (funded and non-funded) to top four NPA accounts	4,513.63	5,340.06

vii) Sector-wise advances:

(₹ in crores)

Sr. No.	Sector	31 March, 2019			31 March, 2018		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
<b>1</b>	<b>Agriculture and allied activities</b>	<b>27,829.60</b>	<b>1,533.92</b>	<b>5.51%</b>	<b>27,636.39</b>	<b>1,086.38</b>	<b>3.93%</b>
<b>2</b>	<b>Advances to industries sector eligible as priority sector lending</b>	<b>26,871.04</b>	<b>901.97</b>	<b>3.36%</b>	<b>23,520.58</b>	<b>870.49</b>	<b>3.70%</b>
	- Chemical & Chemical products	2,539.72	54.26	2.14%	1,942.47	45.17	2.33%
	-Basic Metal & Metal Products	2,585.52	28.08	1.09%	2,076.66	56.08	2.70%
	-Infrastructure	618.69	33.49	5.41%	593.03	29.60	4.99%
<b>3</b>	<b>Services</b>	<b>21,122.23</b>	<b>707.41</b>	<b>3.35%</b>	<b>17,192.15</b>	<b>583.39</b>	<b>3.39%</b>
	-Banking and Finance other than NBFCs and MFs	2,082.82	14.64	0.70%	2,042.63	82.38	4.03%
	-Non-banking financial companies (NBFCs)	1,091.99	-	-	1,360.01	-	-
	-Commercial Real Estate	377.24	18.82	4.99%	242.44	45.89	18.93%
	-Trade	12,464.07	564.13	4.53%	10,342.95	392.76	3.80%
<b>4</b>	<b>Personal loans</b>	<b>44,740.94</b>	<b>376.42</b>	<b>0.84%</b>	<b>31,643.30</b>	<b>530.51</b>	<b>1.68%</b>
	-Housing	36,873.80	271.41	0.74%	27,742.70	305.74	1.10%
	-Vehicle Loans	4,496.31	60.98	1.36%	3,226.47	178.07	5.52%
	<b>Sub-total (A)</b>	<b>120,563.81</b>	<b>3,519.72</b>	<b>2.92%</b>	<b>99,992.42</b>	<b>3,070.77</b>	<b>3.07%</b>

Sr. No.	Sector	31 March, 2019			31 March, 2018		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>B</b>	<b>Non Priority Sector</b>						
<b>1</b>	<b>Agriculture and allied activities</b>	-	-	-	-	-	-
<b>2</b>	<b>Industry</b>	<b>145,127.78</b>	<b>18,512.21</b>	<b>12.76%</b>	<b>132,677.66</b>	<b>22,865.46</b>	<b>17.23%</b>
	-Chemical & Chemical products	18,345.25	1,304.13	7.11%	13,869.33	778.97	5.62%
	-Basic Metal & Metal Products	20,510.98	1,095.61	5.34%	19,340.99	3,600.93	18.62%
	-Infrastructure	44,367.96	10,863.83	24.49%	37,886.52	11,211.30	29.59%
<b>3</b>	<b>Services</b>	<b>91,160.11</b>	<b>3,912.57</b>	<b>4.29%</b>	<b>90,635.99</b>	<b>3,563.69</b>	<b>3.93%</b>
	-Banking and Finance other than NBFCs and MFs	27,735.77	190.55	0.69%	31,024.41	-	-
	-Non-banking financial companies (NBFCs)	14,374.90	5.49	0.04%	10,875.27	5.49	0.05%
	-Commercial Real Estate	15,925.72	1,689.73	10.61%	16,094.85	1,469.12	9.13%
	-Trade	10,852.94	378.75	3.49%	12,239.86	514.92	4.07%
<b>4</b>	<b>Personal loans</b>	<b>154,244.74</b>	<b>1,201.95</b>	<b>0.78%</b>	<b>131,244.78</b>	<b>1,376.40</b>	<b>1.05%</b>
	-Housing	78,327.84	753.18	0.96%	72,748.14	912.70	1.25%
	-Vehicle Loans	19,371.98	164.77	0.85%	15,010.29	171.63	1.14%
	<b>Sub-total (B)</b>	<b>390,532.63</b>	<b>23,626.73</b>	<b>6.05%</b>	<b>354,558.43</b>	<b>27,805.55</b>	<b>7.84%</b>
	<b>Total (A+B)</b>	<b>511,096.44</b>	<b>27,146.45</b>	<b>5.31%</b>	<b>454,550.85</b>	<b>30,876.32</b>	<b>6.79%</b>

Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to RBI

Figures in italics represent sub-sectors where the outstanding advance exceeds 10% of total outstanding advance to that sector.

#### viii) Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1 April, 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2018.

#### 1.1.6 Disclosure on exposure to Infrastructure Leasing & Financial Services Limited (ILFS) and its group entities

(₹ in crores)

Sr. No.	Particulars	31 March, 2019
1.	Amount of fund based outstanding*	266.78
2.	Of (1) total fund based outstanding which are NPAs as per IRAC norms and not classified as NPA	14.31
3.	Provisions required to be made as per IRAC norms.	58.70
4.	Provisions actually held	55.12

\*Non fund based outstanding is ₹451.51 crores



1.1.7 During the years ended 31 March, 2019 and 31 March, 2018 none of the loans and advances held at overseas branches of the Bank have been classified as NPA by any host banking regulator for reasons other than record of recovery.

1.1.8 Movement in floating provision is set out below:

(₹ in crores)		
For the year ended	31 March, 2019	31 March, 2018
Opening balance at the beginning of the year	3.25	3.25
Provisions made during the year	-	-
Draw down made during the year	-	-
<b>Closing balance at the end of the year</b>	<b>3.25</b>	<b>3.25</b>

1.1.9 Provision on Standard Assets

(₹ in crores)		
	31 March, 2019	31 March, 2018
Provision towards Standard Assets [includes ₹38.14 crores (previous year ₹26.57 crores) of standard provision on derivative exposures] [[Refer schedule 17 (4.2)]]	3,040.44	2,207.52

1.1.10 Details of Investments are set out below:

i) Value of Investments:

(₹ in crores)		
	31 March, 2019	31 March, 2018
1) Gross value of Investments		
a) In India	172,597.47	153,247.04
b) Outside India	5,029.73	3,495.44
2) (i) Provision for Depreciation		
a) In India	(560.31)	(254.54)
b) Outside India	-	-
(ii) Provision for Non-Performing Investments		
a) In India	(1,903.39)	(2,410.68)
b) Outside India	(194.22)	(201.18)
3) Net value of Investments		
a) In India	170,133.77	150,581.82
b) Outside India	4,835.51	3,294.26

ii) Movement of provisions held towards depreciation on investments:

(₹ in crores)		
	31 March, 2019	31 March, 2018
Opening balance	254.54	409.86
Add: Provisions made during the year*	326.46	101.60
Less: Write offs/write back of excess provisions during the year	(20.69)	(256.92)
<b>Closing balance</b>	<b>560.31</b>	<b>254.54</b>

\* including transfer from interest capitalization account

iii) Details of category wise investments are set out below:

(₹ in crores)

Particulars	31 March, 2019				31 March, 2018			
	HTM	AFS	HFT	Total	HTM	AFS	HFT	Total
Government Securities	104,003.78	15,286.85	948.75	120,239.38	88,712.15	13,836.13	1,504.70	104,052.98
Other approved Securities	-	-	-	-	-	-	-	-
Shares	-	1,010.84	-	1,010.84	-	1,612.90	-	1,612.90
Debentures and Bonds	-	31,807.51	8,361.32	40,168.83	-	24,531.73	6,330.94	30,862.67
Subsidiary/Joint Ventures	2,286.12	-	-	2,286.12	2,092.71	-	-	2,092.71
Others	3.86	5,689.50	5,570.75	11,264.11	6.65	5,932.38	9,315.79	15,254.82
<b>Total</b>	<b>106,293.76</b>	<b>53,794.70</b>	<b>14,880.81</b>	<b>174,969.28</b>	<b>90,811.51</b>	<b>45,913.14</b>	<b>17,151.43</b>	<b>153,876.08</b>

1.1.11 A summary of lending to sensitive sectors is set out below:

(₹ in crores)

As at	31 March, 2019	31 March, 2018
<b>A. Exposure to Real Estate Sector</b>		
1) Direct Exposure		
(i) Residential mortgages	123,297.28	102,152.04
- of which housing loans eligible for inclusion in priority sector advances	33,799.67	26,414.52
(ii) Commercial real estate	23,982.81	29,328.94
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	75.00	75.00
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	26,232.39	20,522.69
<b>Total Exposure to Real Estate Sector</b>	<b>173,587.48</b>	<b>152,078.67</b>
<b>B. Exposure to Capital Market</b>		
1. Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt*	1,726.94	2,510.46
2. Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	4.68	4.70
3. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security	1,414.36	1,649.84
4. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	2,566.92	3,074.53

As at	31 March, 2019	31 March, 2018
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	5,115.79	5,001.87
6. Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	10.83	6.13
7. Bridge loans to companies against expected equity flows/issues	1.44	6.09
8. Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
9. Financing to stock brokers for margin trading	-	-
10. All exposures to Venture Capital Funds (both registered and unregistered)	112.45	118.16
<b>Total exposure to Capital Market (Total of 1 to 10)</b>	<b>10,953.41</b>	<b>12,371.78</b>

\* excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹1,694.02 crores as on 31 March, 2019 (previous year ₹1,838.02 crores) which are exempted from exposure to Capital Market

1.1.12 As on 31 March, 2019, outstanding receivables acquired by the Bank under factoring stood at ₹419.39 crores (previous year ₹218.73 crores) which are reported under 'Bills Purchased and Discounted' in Schedule 9 of the Balance Sheet.

1.1.13 During the years ended 31 March, 2019 and 31 March, 2018 there are no unsecured advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken as collateral by the Bank.

1.1.14 Details of Non-SLR investment portfolio are set out below:

i) Issuer composition as at 31 March, 2019 of non-SLR investments\*:

(₹ in crores)						
No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	9,489.66	5,411.68	657.56	0.98	2,038.79
ii.	Financial Institutions	5,400.64	3,883.90	50.30	-	26.87
iii.	Banks	1,716.72	1,151.67	-	-	14.00
iv.	Private Corporates	35,451.71	24,958.00	1,059.05	753.04	11,573.72
v.	Subsidiaries	2,286.12	2,286.12	-	-	2,286.12
vi.	Others	6,459.44	3,468.09	-	-	3,579.64
vii.	Provision held towards depreciation on investments	(560.31)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(2,097.61)	N.A.	N.A.	N.A.	N.A.
	<b>Total</b>	<b>58,146.37</b>	<b>41,159.46</b>	<b>1,766.91</b>	<b>754.02</b>	<b>19,519.14</b>

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

Issuer composition as at 31 March, 2018 of non-SLR investments\*:

(₹ in crores)

No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	8,287.85	7,290.45	661.26	-	505.19
ii.	Financial Institutions	3,293.83	1,487.28	0.30	-	347.71
iii.	Banks	3,951.95	1,537.42	149.40	-	2,875.18
iv.	Private Corporates	31,999.97	23,027.05	1,147.71	866.50	12,622.29
v.	Subsidiaries	2,092.71	2,092.71	-	-	2,092.71
vi.	Others	5,761.36	3,662.10	-	-	3,757.63
vii.	Provision held towards depreciation on investments	(254.30)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(2,611.86)	N.A.	N.A.	N.A.	N.A.
<b>Total</b>		<b>52,521.51</b>	<b>39,097.01</b>	<b>1,958.67</b>	<b>866.50</b>	<b>22,200.71</b>

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

\*excludes investments in non-SLR government securities amounting to ₹42.54 crores (previous year ₹42.54 crores)

ii) Movement in non-performing non SLR investments are set out below:

(₹ in crores)

	31 March, 2019	31 March, 2018
Opening balance	3,372.32	1,234.82
Additions during the year	362.94	2,738.39
Reductions during the year	(1,092.27)	(600.89)
<b>Closing balance</b>	<b>2,642.99</b>	<b>3,372.32</b>
<b>Total provisions held</b>	<b>2,097.62</b>	<b>2,611.86</b>

1.1.15 Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions:

Year ended 31 March, 2019

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2019
<b>Securities sold under repos</b>				
i. Government Securities	-	14,687.58	1,219.73	14,687.58
ii. Corporate debt Securities	-	-	-	-
<b>Securities purchased under reverse repos</b>				
i. Government Securities	-	23,514.53	5,109.53	23,514.53
ii. Corporate debt Securities	-	100.00	0.31	-

There have been no defaults in making the same set of securities available at the time of 2<sup>nd</sup> leg settlement of the Term Reverse Repo during the year ended 31 March, 2019.

Year ended 31 March, 2018

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2018
<b>Securities sold under repos</b>				
i. Government Securities	-	12,683.10	3,578.54	6,488.43
ii. Corporate debt Securities	-	2,675.00	1,023.42	-
<b>Securities purchased under reverse repos</b>				
i. Government Securities	-	19,140.39	1,654.70	8,802.12
ii. Corporate debt Securities	-	50.00	0.27	-

There have been no defaults in making the same set of securities available at the time of 2<sup>nd</sup> leg settlement of the Term Reverse Repo during the year ended 31 March, 2018.

1.1.16 Details of financial assets sold to Securitisation/Reconstruction companies for Asset Reconstruction:

(₹ in crores)

	31 March, 2019	31 March, 2018
Number of accounts*	5	43 <sup>^</sup>
Aggregate value (net of provisions) of accounts sold	159.29	41.91
Aggregate consideration	236.61	67.48
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate net gain/(loss) over net book value	<b>77.32</b>	<b>25.57</b>

\*Excludes 3 accounts already written-off (previous year 5 accounts)

<sup>^</sup>Includes 1 account where debt has been acquired by Reconstruction company as a part of resolution plan under Insolvency and Bankruptcy Code

Excess provision reversed to the profit and loss account of sale of NPAs amounts to ₹85.83 crores (previous year ₹42.86 crores)

(₹ in crores)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying		Total	
	As on 31 March, 2019	As on 31 March, 2018	As on 31 March, 2019	As on 31 March, 2018	As on 31 March, 2019	As on 31 March, 2018
Book value of investments in Security Receipts ('SRs')	2,908.00	2,918.39	2.26	5.58	2,910.26	2,923.97

(₹ in crores)

Particulars	As on 31 March, 2019			Total
	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago	
(i) Book value of SRs backed by NPAs sold by the bank as underlying	2,664.02	243.98	-	2,908.00
Provisions held against (i)	-	(220.83)	-	(220.83)
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.22	1.38	0.66	2.26
Provisions held against (ii)	-	-	(0.66)	(0.66)
<b>Total (i) + (ii), net of provisions</b>	<b>2,664.24</b>	<b>24.53</b>	<b>-</b>	<b>2,688.77</b>

(₹ in crores)

Particulars	As at March 31, 2018			Total
	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago	
(i) Book value of SRs backed by NPAs sold by the bank as underlying	2,918.06	0.33	-	2,918.39
Provisions held against (i)	-	-	-	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	4.33	1.25	-	5.58
Provisions held against (ii)	-	-	-	-
<b>Total (i) + (ii), net of provisions</b>	<b>2,922.39</b>	<b>1.58</b>	<b>-</b>	<b>2,923.97</b>

1.1.17 Details of the Non-Performing Financial Assets sold to other banks (excluding securitisation/reconstruction companies):

(₹ in crores)

	31 March, 2019	31 March, 2018
Number of accounts sold	4	2
Aggregate outstanding*	755.39	734.07
Aggregate consideration received	481.52	615.30

\*Represents principal outstanding as on date of sale

During the years ended 31 March, 2019 and 31 March, 2018 there were no Non-Performing Financial Assets purchased by the Bank from other banks (excluding securitisation/reconstruction companies).

1.1.18 Details of securitisation transactions undertaken by the Bank are as follows:

(₹ in crores)

Sr. No.	Particulars	31 March, 2019	31 March, 2018
1	No. of SPVs sponsored by the bank for securitisation transactions	-	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the Bank	-	-
3	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-

Sr. No.	Particulars	31 March, 2019	31 March, 2018
	Others	-	-
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

1.1.19 The information on concentration of deposits is given below:

	31 March, 2019	31 March, 2018
	(₹ in crores)	
Total deposits of twenty largest depositors	64,899.05	51,886.56
Percentage of deposits of twenty largest depositors to total deposits	11.83	11.44

1.1.20 The information on concentration of advances\* is given below:

	31 March, 2019	31 March, 2018
	(₹ in crores)	
Total advances to twenty largest borrowers	62,677.26	66,597.41
Percentage of advances to twenty largest borrowers to total advances of the Bank	8.56	10.27

\* Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI

1.1.21 The information on concentration of exposure\* is given below:

	31 March, 2019	31 March, 2018
	(₹ in crores)	
Total exposure to twenty largest borrowers/customers	101,132.87	95,610.35
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	12.35	13.21

\* Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

1.1.22 During the year ended 31 March, 2019, the Bank's credit exposure to single borrower and group borrowers was within the prudential exposure limits prescribed by RBI.

During the year ended 31 March, 2018, the Bank's credit exposure to single borrower was within the prudential exposure limits except in one case, where the single borrower limit was exceeded upto an additional exposure of 5% with the approval of the Committee of Directors. The details of such case are set out below :

Name of the Borrower	Reliance Industries Limited
Period	August, 2017
Original exposure ceiling	11,865.78 crores
Limit Sanctioned	15,821.03 crores
% of excess limit sanctioned over original ceiling	33.33%
Exposure ceiling as on 31 March, 2018	13,165.49 crores
Exposure as on 31 March, 2018	11,245.72 crores

During the year ended 31 March, 2018, the Bank's credit exposure to group borrowers was within the prudential exposure limits prescribed by RBI.

1.1.23 Details of Risk Category wise Country Exposure:

(₹ in crores)

Risk Category	Exposure (Net) as at 31 March, 2019	Provision Held as at 31 March, 2019	Exposure (Net) as at 31 March, 2018	Provision Held as at 31 March, 2018
Insignificant	-	-	-	-
Low	22,233.01	-	25,390.99	-
Moderate	2,948.18	-	3,049.83	-
High	1,038.47	-	4,095.09	-
Very High	2,827.57	-	573.60	-
Restricted	-	-	0.28	-
Off-Credit	-	-	-	-
<b>Total</b>	<b>29,047.23</b>	<b>-</b>	<b>33,109.79</b>	<b>-</b>

1.1.24 A maturity pattern of certain items of assets and liabilities at 31 March, 2019 and 31 March, 2018 is set out below:

As at 31 March, 2019

(₹ in crores)

	Deposits	Advances*	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	8,854.09	3,179.52	31,440.58	-	9,025.92	245.77
2 days to 7 days	22,294.97	5,234.97	4,660.62	15,062.95	4,964.20	1,418.32
8 days to 14 days	15,394.97	5,107.99	8,025.69	1,024.36	3,041.63	1,294.73
15 days to 30 days	19,159.42	13,573.13	6,803.41	5,275.12	7,739.23	4,116.12
31 days and upto 2 months	36,696.06	9,656.92	7,569.10	10,457.24	2,218.20	10,542.55
Over 2 months and upto 3 months	35,984.16	14,524.37	7,972.16	11,602.82	3,146.91	11,797.01
Over 3 months and upto 6 months	55,550.20	22,578.92	10,247.36	16,315.61	5,867.26	14,577.87
Over 6 months and upto 1 year	107,987.13	29,784.41	20,195.62	22,525.88	4,102.00	28,803.38
Over 1 year and upto 3 years	37,116.54	94,599.36	23,031.65	29,480.21	8,148.93	14,285.41
Over 3 years and upto 5 years	10,036.96	59,808.46	9,773.49	17,369.91	8,329.96	6,562.59
Over 5 years	199,396.84	236,749.92	45,249.60	23,661.68	41,488.00	4,528.35
<b>Total</b>	<b>548,471.34</b>	<b>494,797.97</b>	<b>174,969.28</b>	<b>152,775.78</b>	<b>98,072.24</b>	<b>98,172.10</b>

As at 31 March, 2018

(₹ in crores)

	Deposits	Advances*	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	9,306.55	2,662.93	33,116.11	-	4,769.53	216.54
2 days to 7 days	23,249.34	7,040.81	2,267.04	8,303.91	5,671.46	2,729.29
8 days to 14 days	8,090.08	3,311.69	5,607.65	1,245.13	1,560.51	1,517.86
15 days to 30 days	12,937.59	12,192.97	4,062.76	2,771.28	7,776.30	2,854.22
31 days and upto 2 months	24,011.63	10,134.53	5,920.81	6,468.16	4,294.17	7,230.06
Over 2 months and upto 3 months	25,695.76	10,919.63	7,538.01	6,795.99	3,285.83	7,922.85
Over 3 months and upto 6 months	35,196.78	18,835.00	7,991.87	19,846.64	6,542.82	17,414.16
Over 6 months and upto 1 year	66,959.06	26,028.57	17,063.60	22,631.53	8,759.21	19,517.46
Over 1 year and upto 3 years	35,569.79	74,775.86	16,784.51	30,112.68	14,199.73	21,008.16
Over 3 years and upto 5 years	16,436.37	58,233.50	9,653.42	23,198.99	11,154.08	9,664.45
Over 5 years	196,169.77	215,514.82	43,870.30	26,641.84	26,061.69	2,755.53
<b>Total</b>	<b>453,622.72</b>	<b>439,650.31</b>	<b>153,876.08</b>	<b>148,016.15</b>	<b>94,075.33</b>	<b>92,830.58</b>



Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors. Maturity profile of foreign currency assets and liabilities excludes off balance sheet items.

\* For the purpose of disclosing the maturity pattern, loans and advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket corresponding to the contractual maturities of such underlying loans and advances gross of any risk participation. The IBPC and FRP amounts have been classified in the respective maturities of the corresponding underlying loans.

#### 1.1.25 Disclosure on Restructured Assets

Details of loans subjected to restructuring during the year ended 31 March, 2019 are given below:

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
		(₹ in crores)									
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	7	-	18	6	31	-	-	-	-	-
	Amount Outstanding – Restructured facility	427.80	-	1370.79	124.65	1,923.24	-	-	-	-	-
	Amount Outstanding – Other facility	279.33	-	350.31	34.10	663.74	-	-	-	-	-
	Provision thereon	11.28	-	28.37	-	39.65	-	-	-	-	-
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	8.72	-	11.69	-	20.41	-	-	-	-	-
	Amount Outstanding – Other facility	-	-	10.50	23.97	34.47	-	-	-	-	-
	Provision thereon	0.64	-	(28.19)	-	(27.55)	-	-	-	-	-
Fresh Restructuring during the year <sup>1,2</sup>	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	1	-	(1)	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	15.97	-	(15.97)	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	0.18	-	(0.18)	-	-	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(4)				(4)					-
	Amount Outstanding – Restructured facility	(178.19)				(178.19)					-
	Amount Outstanding – Other facility	(278.78)				(278.78)					-
	Provision thereon	(6.05)				(6.05)					-
Downgradation of restructured accounts during the FY <sup>3</sup>	No. of borrowers	-	-	(1)	1	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	-	-	(22.74)	22.74	-	-	-	-	-	-
	Amount Outstanding – Other facility	-	-	(5.51)	5.51	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Write-offs of restructured accounts during the FY <sup>4,5,6</sup>	No. of borrowers	-	-	(12)	(3)	(15)	-	-	-	-	-
	Amount Outstanding – Restructured facility	(6.67)	-	(875.84)	(49.54)	(932.05)	-	-	-	-	-
	Amount Outstanding – Other facility	-	-	(265.88)	(27.82)	(293.70)	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	4	-	4	4	12	-	-	-	-	-
	Amount Outstanding – Restructured facility	267.63	-	467.93	97.86	833.42	-	-	-	-	-
	Amount Outstanding – Other facility	0.55	-	89.42	35.76	125.73	-	-	-	-	-
	Provision thereon	6.06	-	-	-	6.06	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Others					Total				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	516	18	191	87	812	523	18	209	93	843
	Amount Outstanding – Restructured facility	757.33	4.55	3,902.96	151.90	4,816.74	1,185.13	4.55	5,273.75	276.55	6,739.98
	Amount Outstanding – Other facility	268.82	0.33	1,390.05	3.75	1,662.95	548.15	0.33	1,740.36	37.85	2,326.69
	Provision thereon	7.35	-	36.97	-	44.32	18.63	-	65.34	-	83.97

(₹ in crores)

Type of Restructuring		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	0.85	-	67.59	(1.23)	67.21	9.57	-	79.28	(1.23)	87.62
	Amount Outstanding – Other facility	(0.17)	-	5.74	-	5.57	(0.17)	-	16.24	23.97	40.04
	Provision thereon	(2.31)	-	(26.69)	-	(29.00)	(1.67)	-	(54.88)	-	(56.55)
Fresh Restructuring during the year <sup>1,2</sup>	No. of borrowers	457	1	5	-	463	457	1	5	-	463
	Amount Outstanding – Restructured facility	289.27	0.01	0.20	-	289.48	289.27	0.01	0.20	-	289.48
	Amount Outstanding – Other facility	18.84	0.01	0.01	-	18.86	18.84	0.01	0.01	-	18.86
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	32	(22)	(10)	-	-	33	(22)	(11)	-	-
	Amount Outstanding – Restructured facility	338.52	(5.16)	(333.36)	-	-	354.49	(5.16)	(349.33)	-	-
	Amount Outstanding – Other facility	0.25	(0.09)	(0.16)	-	-	0.25	(0.09)	(0.16)	-	-
	Provision thereon	8.19	-	(8.19)	-	-	8.37	-	(8.37)	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(90)				(90)	(94)				(94)
	Amount Outstanding – Restructured facility	(537.26)				(537.26)	(715.45)				(715.45)
	Amount Outstanding – Other facility	(235.70)				(235.70)	(514.48)				(514.48)
	Provision thereon	(2.70)				(2.70)	(8.75)				(8.75)
Downgradation of restructured accounts during the FY <sup>3</sup>	No. of borrowers	(163)	107	50	6	-	(163)	107	49	7	-
	Amount Outstanding – Restructured facility	(154.37)	17.59	(23.92)	160.70	-	(154.37)	17.59	(46.66)	183.44	-
	Amount Outstanding – Other facility	(32.46)	(0.04)	(52.52)	85.02	-	(32.46)	(0.04)	(58.03)	90.53	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Others					Total				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Write-offs of restructured accounts during the FY <sup>4,5,6</sup>	No. of borrowers	(7)	(1)	(203)	(88)	(299)	(7)	(1)	(215)	(91)	(314)
	Amount	(4.24)	(0.20)	(328.83)	(151.67)	(484.94)	(10.91)	(0.20)	(1,204.67)	(201.21)	(1,416.99)
	Outstanding – Restructured facility										
	Amount	(0.11)	(0.07)	(32.52)	(3.75)	(36.45)	(0.11)	(0.07)	(298.40)	(31.57)	(330.15)
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	745	103	33	5	886	749	103	37	9	898
	Amount	690.09	16.79	3,284.63	159.69	4,151.20	957.72	16.79	3,752.56	257.55	4,984.62
	Outstanding – Restructured facility										
	Amount	19.47	0.14	1,310.61	85.02	1,415.24	20.02	0.14	1,400.02	120.78	1,540.96
	Outstanding – Other facility										
Provision thereon	10.54	-	2.08	-	12.62	16.60	-	2.08	-	18.67	

Amount outstanding under restructuring facilities and other facilities is as on 31 March, 2019:

1. Amount reported here represents outstanding as on 31 March, 2019. Actual amount subjected to restructuring determined as on the date of approval of restructuring proposal is ₹285.58 crores for the FY 2018-19
2. Includes ₹12.56 crores of fresh/additional sanction to existing restructured accounts (entirely under restructured facility)
3. Includes accounts which were not attracting higher provisioning and/or additional risk weight at the beginning of FY
4. Includes accounts partially written-off during the year
5. Amount outstanding under restructuring facilities and other facilities is as on the date of write-off in the books
6. Includes ₹212.80 crores of reduction from existing restructured accounts by way of sale/recovery (₹151.00 crores from restructured facility and ₹61.80 crores from other facility)
7. The cumulative value of net restructured advances after reducing the provision held for diminution in fair value and balance in interest capitalization account upto 31 March, 2019 aggregated ₹886.54 crores
8. Information appearing under substandard, doubtful and loss category also include accounts slipped into NPAs from restructured standard advances along with restructured NPAs

Details of loans subjected to restructuring during the year ended 31 March, 2018 are given below:

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	15	-	16	9	40	-	-	-	-	-
	Amount	1,099.10	-	1,546.18	418.83	3,064.11	-	-	-	-	-
	Outstanding – Restructured facility										
	Amount	441.95	-	358.33	328.55	1,128.83	-	-	-	-	-
	Outstanding – Other facility										
Provision thereon	36.67	-	48.89	-	85.56	-	-	-	-	-	

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	11.69	-	(108.80)	0.77	(96.34)	-	-	-	-	-
	Amount Outstanding – Other facility	(67.22)	-	13.72	-	(53.50)	-	-	-	-	-
	Provision thereon	(15.79)	-	(30.09)	-	(45.88)	-	-	-	-	-
Fresh Restructuring during the year <sup>1,2</sup>	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	49.99	-	-	-	49.99	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	1	-	(1)	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	35.65	-	(35.65)	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	31.13	-	(31.13)	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(2)				(2)					-
	Amount Outstanding – Restructured facility	(22.41)				(22.41)					-
	Amount Outstanding – Other facility	-				-					-
	Provision thereon	(0.03)				(0.03)					-
Downgradation of restructured accounts during the FY <sup>3</sup>	No. of borrowers	(7)	-	8	1	2	-	-	-	-	-
	Amount Outstanding – Restructured facility	(621.74)	-	785.22	(137.78)	25.70	-	-	-	-	-
	Amount Outstanding – Other facility	(162.27)	-	165.82	3.42	6.97	-	-	-	-	-
	Provision thereon	(9.57)	-	9.57	-	-	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Write-offs of restructured accounts during the FY <sup>4,5,6</sup>	No. of borrowers	-	-	(5)	(4)	(9)	-	-	-	-	-
	Amount Outstanding – Restructured facility	(74.49)	-	(816.16)	(157.17)	(1,047.82)	-	-	-	-	-
	Amount Outstanding – Other facility	(14.25)	-	(156.43)	(297.87)	(468.55)	-	-	-	-	-
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	7	-	18	6	31	-	-	-	-	-
	Amount Outstanding – Restructured facility	427.80	-	1,370.79	124.65	1,923.24	-	-	-	-	-
	Amount Outstanding – Other facility	279.33	-	350.31	34.10	663.74	-	-	-	-	-
	Provision thereon	11.28	-	28.37	-	39.65	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	350	3	373	91	817	365	3	389	100	857
	Amount Outstanding – Restructured facility	4,522.92	417.74	728.67	693.13	6,362.46	5,622.02	417.74	2,274.85	1,111.96	9,426.57
	Amount Outstanding – Other facility	1,259.47	0.04	155.56	302.82	1,717.89	1,701.42	0.04	513.89	631.37	2,846.72
	Provision thereon	39.14	22.03	10.80	-	71.97	75.81	22.03	59.69	-	157.53
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	(230.72)	5.28	(17.76)	(0.57)	(243.77)	(219.03)	5.28	(126.56)	0.20	(340.11)
	Amount Outstanding – Other facility	357.60	-	(4.56)	(7.38)	345.66	290.38	-	9.16	(7.38)	292.16
	Provision thereon	(6.22)	(12.66)	(6.48)	-	(25.36)	(22.01)	(12.66)	(36.57)	-	(71.24)
Fresh Restructuring during the year <sup>1,2</sup>	No. of borrowers	401	15	-	-	416	401	15	-	-	416
	Amount Outstanding – Restructured facility	328.36	40.58	-	-	368.94	328.36	40.58	-	-	368.94
	Amount Outstanding – Other facility	19.69	-	-	-	19.69	69.68	-	-	-	69.68
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	1	-	(1)	-	-	2	-	(2)	-	-
	Amount Outstanding – Restructured facility	206.74	-	(206.74)	-	-	242.39	-	(242.39)	-	-
	Amount Outstanding – Other facility	14.44	-	(14.44)	-	-	45.57	-	(45.57)	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

(₹ in crores)

Type of Restructuring Asset Classification		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(23)				(23)	(25)				(25)
	Amount Outstanding – Restructured facility	(187.01)				(187.01)	(209.42)				(209.42)
	Amount Outstanding – Other facility	(34.90)				(34.90)	(34.90)				(34.90)
	Provision thereon	(2.29)				(2.29)	(2.32)				(2.32)
Downgradation of restructured accounts during the FY <sup>3</sup>	No. of borrowers	(167)	1	188	63	85	(174)	1	196	64	87
	Amount Outstanding – Restructured facility	(3,770.90)	(418.21)	3,891.70	335.05	37.64	(4,392.64)	(418.21)	4,676.92	197.27	63.34
	Amount Outstanding – Other facility	(1,327.62)	0.29	1,325.39	2.25	0.31	(1,489.89)	0.29	1,491.21	5.67	7.28
	Provision thereon	(23.28)	(9.37)	32.65	-	-	(32.85)	(9.37)	42.22	-	-
Write-offs of restructured accounts during the FY <sup>4,5,6</sup>	No. of borrowers	(46)	(1)	(369)	(67)	(483)	(46)	(1)	(374)	(71)	(492)
	Amount Outstanding – Restructured facility	(112.06)	(40.84)	(492.91)	(875.71)	(1,521.52)	(186.55)	(40.84)	(1,309.07)	(1,032.88)	(2,569.34)
	Amount Outstanding – Other facility	(19.86)	-	(71.90)	(293.94)	(385.70)	(34.11)	-	(228.33)	(591.81)	(854.25)
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	516	18	191	87	812	523	18	209	93	843
	Amount Outstanding – Restructured facility	757.33	4.55	3,902.96	151.90	4,816.74	1,185.13	4.55	5,273.75	276.55	6,739.98
	Amount Outstanding – Other facility	268.82	0.33	1,390.05	3.75	1,662.95	548.15	0.33	1,740.36	37.85	2,326.69
	Provision thereon	7.35	-	36.97	-	44.32	18.63	-	65.34	-	83.97

Amount outstanding under restructuring facilities and other facilities is as on 31 March, 2018:

1. Amount reported here represents outstanding as on 31 March, 2018. Actual amount subjected to restructuring determined as on the date of approval of restructuring proposal is ₹366.76 crores for the FY 2017-18
2. Includes ₹51.07 crores of fresh/additional sanction to existing restructured accounts (₹0.02 crores under restructured facility and ₹51.05 crores under other facility)
3. Includes accounts which were not attracting higher provisioning and/or additional risk weight at the beginning of FY
4. Includes accounts partially written-off during the year
5. Amount outstanding under restructuring facilities and other facilities is as on the date of write-off in the books
6. Includes ₹363.46 crores of reduction from existing restructured accounts by way of sale/recovery (₹299.57 crores from restructured facility and ₹63.89 crores from other facility)
7. The cumulative value of net restructured advances after reducing the provision held for diminution in fair value and balance in interest capitalization account upto 31 March, 2018 aggregated ₹1,087.10 crores
8. Information appearing under sub-standard, doubtful and loss category also include accounts slipped into NPAs from restructured standard advances along with restructured NPAs

1.1.26 Disclosure on Flexible Structuring of existing loans

(₹ in crores)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
No. of borrowers taken up for flexible structuring	-	3
Amount of loans taken up for flexible structuring#		
- Classified as Standard*	-	682.18
- Classified as NPA*	-	290.36
Exposure weighted average duration of loans taken up for flexible structuring (years)		
- Before applying flexible structuring	-	9.43
- After applying flexible structuring	-	19.25

# represents outstanding as on date of sanction of the proposal

\* asset classification represents position as on 31 March of the respective year

1.1.27 Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A)

(₹ in crores)

Particulars	As at 31 March, 2019	As at 31 March, 2018
No. of accounts where S4A has been applied	5	5
Aggregate amount outstanding*		
- Classified as Standard	365.17	486.24
- Classified as NPA	648.94	647.52
Amount outstanding in Part A		
- Classified as Standard	187.23	281.48
- Classified as NPA	397.07	409.21
Amount outstanding in Part B		
- Classified as Standard	177.94	204.76
- Classified as NPA	251.87	238.31
Provision Held		
- Classified as Standard	93.85	107.46
- Classified as NPA	620.57	567.79

\*represents total of Part A and Part B

1.1.28 Disclosure in respect of Interest Rate Swaps ('IRS'), Forward Rate Agreement ('FRA') and Cross Currency Swaps ('CCS') outstanding is set out below:

An 'IRS' is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR) and LIBOR of various currencies.

A 'FRA' is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is London Inter-Bank Offered Rate (LIBOR) of various currencies.



A 'CCS' is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for an equally valued interest payments and principal in another currency.

(₹ in crores)

Sr. No.	Items	As at 31 March, 2019	As at 31 March, 2018
i)	Notional principal of swap agreements	236,685.35	196,069.45
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	4,223.33	2,872.20
iii)	Collateral required by the Bank upon entering into swaps	523.97	826.23
iv)	Concentration of credit risk arising from the swaps		
	Maximum single industry exposure with Banks (previous year with Banks)		
	- Interest Rate Swaps/FRA's	2,201.10	2,695.48
	- Cross Currency Swaps	3,112.72	2,947.91
v)	Fair value of the swap book (hedging & trading)		
	- Interest Rate Swaps/FRA's	(794.06)	(804.12)
	- Currency Swaps	1,475.34	1,228.65

The nature and terms of the IRS as on 31 March, 2019 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	33	12,413.32	LIBOR	Fixed Receivable v/s Floating Payable
Hedging	2	1,901.76	LIBOR	Floating Receivable v/s Fixed Payable
Trading	3	175.00	INBMK	Fixed Receivable v/s Floating Payable
Trading	250	36,486.34	LIBOR	Fixed Receivable v/s Floating Payable
Trading	564	34,822.66	MIBOR	Fixed Receivable v/s Floating Payable
Trading	380	20,724.00	MIFOR	Fixed Receivable v/s Floating Payable
Trading	18	1,559.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	285	43,149.73	LIBOR	Floating Receivable v/s Fixed Payable
Trading	597	30,858.54	MIBOR	Floating Receivable v/s Fixed Payable
Trading	183	9,945.00	MIFOR	Floating Receivable v/s Fixed Payable
Trading	16	3,679.05	LIBOR	Floating Receivable v/s Floating Payable
Trading	4	106.33	LIBOR	Pay Cap
Trading	4	111.51	LIBOR	Receive Cap
	<b>2,339</b>	<b>195,932.24</b>		

The nature and terms of the IRS as on 31 March, 2018 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	33	11,698.91	LIBOR	Fixed Receivable v/s Floating Payable
Trading	4	275.00	INBMK	Fixed Receivable v/s Floating Payable
Trading	250	36,726.98	LIBOR	Fixed Receivable v/s Floating Payable
Trading	319	22,201.66	MIBOR	Fixed Receivable v/s Floating Payable
Trading	350	17,107.00	MIFOR	Fixed Receivable v/s Floating Payable
Trading	21	1,659.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	294	41,559.60	LIBOR	Floating Receivable v/s Fixed Payable
Trading	353	17,553.49	MIBOR	Floating Receivable v/s Fixed Payable
Trading	181	9,741.00	MIFOR	Floating Receivable v/s Fixed Payable
Trading	28	5,116.24	LIBOR	Floating Receivable v/s Floating Payable
Trading	5	229.07	LIBOR	Pay Cap
Trading	5	229.07	LIBOR	Receive Cap
	<b>1,843</b>	<b>164,097.02</b>		

The nature and terms of the FRA as on 31 March, 2019 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
-	-	-	-	-

The nature and terms of the FRA as on 31 March, 2018 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	1	325.88	LIBOR	Floating Receivable v/s Fixed Payable
	<b>1</b>	<b>325.88</b>		

The nature and terms of the CCS as on 31 March, 2019 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	93	7,416.32	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	74	7,294.53	LIBOR	Fixed Receivable v/s Floating Payable
Trading	70	11,333.58	LIBOR	Floating Receivable v/s Fixed Payable
Trading	13	6,694.33	LIBOR/MIFOR/ MIBOR	Floating Receivable v/s Floating Payable
Trading	48	4,932.27	Principal Only	Fixed Receivable
Trading	32	3,082.09	Principal Only	Fixed Payable
	<b>330</b>	<b>40,753.12</b>		

The nature and terms of the CCS as on 31 March, 2018 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	84	9,787.05	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	70	6,047.29	LIBOR	Fixed Receivable v/s Floating Payable
Trading	65	7,061.51	LIBOR	Floating Receivable v/s Fixed Payable
Trading	6	2,445.14	LIBOR/MIFOR/ MIBOR	Floating Receivable v/s Floating Payable
Trading	37	3,613.89	Principal Only	Fixed Receivable
Trading	20	2,691.67	Principal Only	Fixed Payable
	<b>282</b>	<b>31,646.55</b>		

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March, 2019 are set out below:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2019
<b>i)</b>	<b>Notional principal amount of exchange traded interest rate derivatives undertaken during the year</b>	
	717GS2028 – 7.17% GOI 2028	77.28
	FVM8 - 5 years US Note – June 2018	69.15
	TYM8 – 10 years US Note – June 2018	345.77
	FVU8 – 5 years US Note – September 2018	459.19
	TYU8 – 10 years US Note – September 2018	1,136.91
	TYZ8 – 10 years US Note – December 2018	1,569.82
	FVZ8 – 5 years US Note – December 2018	1,064.99
	EDZ8 – 90 Days Euro Futures – December 2018	5,532.40
	EDM9 – 90 Days Euro Futures – June 2019	2,863.02
	TUZ8 – 2 years US Note – December 2018	276.62
	EDZ9 – 90 Days Euro Futures – December 2019	9,681.70
	TYH9 – 10 years US Note – March 2019	3,380.30
	FVH9 – 5 Years US Note – March 2019	7,898.88
	TUH9 – 2 Years US Note – March 2019	926.68
	TUM9 – 2 Years US Note – June 2019	110.65
	FVM9 – 5 Years US Note – June 2019	2,636.19
	TYM9 – 10 Years US Note – June 2019	207.46
	EDZ0 – 90 Days Euro Futures – December 2020	2,766.20
		<b>41,003.21</b>
<b>ii)</b>	<b>Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2019</b>	
	FVM9 – 5 Years US Note – June 2019	818.79
	TUM9 – 2 Years US Note – June 2019	82.99
		<b>901.78</b>
<b>iii)</b>	<b>Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2019 and “not highly effective”</b>	N.A.
<b>iv)</b>	<b>Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2019 and “not highly effective”</b>	N.A.

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March, 2018 are set out below:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2018
<b>i)</b>	<b>Notional principal amount of exchange traded interest rate derivatives undertaken during the year</b>	
	679GS2027 - 6.79% GOI 2027	1,269.52
	697GS2026 - 6.97% GOI 2026	356.60
	759GS2026 - 7.59% GOI 2026	29.72
	EDM7 - 90 Days Euro Future - June 2017	1,629.38
	EDM8 - 90 Days Euro Future - June 2018	1,629.38
	EDU7 - 90 Days Euro Future - September 2017	3,258.75
	EDU8 - 90 Days Euro Future - September 2018	3,258.75
	FFF8 - 30 Days FED Funds - January 2018	3,258.75
	TUM7 - 2 Years Treasury Note - June 2017	130.35
	TUU7 - 2 Years Treasury Note - September 2017	260.70
	TYM7 - 10 Years US Note - June 2017	162.93
	TYU7 - 10 Years US Note - September 2017	239.84
	FVZ7 - 5 Years US Note - December 2017	130.35
	FVH8 - 5 Years US Note - March 2018	130.35
	TYH8 - 10 Years US Note - March 2018	82.12
	TUH8 - 2 Years US Note - March 2018	260.70
	FVM8 - 5 Years US Note - June 2018	130.35
		<b>16,218.54</b>
<b>ii)</b>	<b>Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2018</b>	Nil
<b>iii)</b>	<b>Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2018 and "not highly effective"</b>	N.A.
<b>iv)</b>	<b>Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2018 and "not highly effective"</b>	N.A.

The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2019 and 31 March, 2018.

#### 1.1.29 Disclosure on risk exposure in Derivatives

##### Qualitative disclosures:

- (a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes over the counter and Exchange Traded derivative transactions for Balance Sheet management and also for proprietary trading/market making whereby the Bank offers derivative products to the customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines.

Proprietary trading includes Interest Rate Futures, Currency Futures and Rupee Interest Rate Swaps under different benchmarks (viz. MIBOR, MIFOR and INBMK), and Currency Options. The Bank also undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps and Long Term Forex

Contracts (LTFX) for hedging its Balance Sheet and also offers them to its customers. These transactions expose the Bank to various risks, primarily credit, market, legal, reputation and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

There is a functional separation between the Treasury Front Office, Treasury Mid Office and Treasury Back Office to undertake derivative transactions. The customer and interbank related derivative transaction are originated by Derivative sales and Treasury Front Office team respectively which ensures compliance with the trade origination requirements as per the bank's policy and the RBI guidelines. The Market Risk Group within the Bank's Risk Department independently identifies measures and monitors the market risks associated with derivative transactions and apprises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) on the compliance with the risk limits. The Treasury Back Office undertakes activities such as trade confirmation, settlement, ISDA documentation, accounting, valuation and other MIS reporting.

The derivative transactions are governed by the derivative policy, market risk management policy, hedging policy and the Asset Liability Management (ALM) policy of the Bank as well as by the extant RBI guidelines. As a part of the derivative policy, the Bank has implemented policy on customer suitability & appropriateness to ensure that derivative transactions entered into are appropriate and suitable to the customer. The Bank has put in place a detailed process flow on documentation for customer derivative transactions for effective management of operational risk/reputation risk.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. These limits are set up taking into account market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, VaR, Stop Loss, Delta, Gamma and Vega. Actual positions are monitored against these limits on a daily basis and breaches, if any, are dealt with in accordance with board approved Risk Appetite Statement. Risk assessment of the portfolio is undertaken periodically. The Bank ensures that the Gross PV01 (Price value of a basis point) position arising out of all non-option rupee derivative contracts are within 0.25% of net worth of the Bank as on Balance Sheet date.

Hedging transactions are undertaken by the Bank to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item. These deals are accounted on an accrual basis except the swap designated with an asset/liability that is carried at market value or lower of cost or market value. In that case, the swap is marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. These transactions are tested for hedge effectiveness and in case any transaction fails the test, the same is re-designated as a trading deal and appropriate accounting treatment is followed.

- (b) Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts:

The Hedging Policy of the Bank governs the use of derivatives for hedging purpose. Subject to the prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for in accordance with the hedge accounting principles. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the Profit and Loss Account. The premium on option contracts is accounted for as per FEDAI guidelines. Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties. The exposure on account of derivative transactions is computed as per the RBI guidelines and is marked against the credit limits approved for the respective counterparties.

(c) Provisioning, collateral and credit risk mitigation:

Derivative transactions comprise of swaps, FRAs, futures, forward contracts and options which are disclosed as contingent liabilities. Trading swaps/FRAs/futures/options/forward contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets or other liabilities respectively. Hedged swaps are accounted for as per the RBI guidelines. In accordance with RBI guidelines, any receivables (crystallised receivables and positive MTM) under derivative contracts, which remain overdue for more than 90 days, are reversed through the Profit and Loss Account and are held in a separate Suspense account.

Collateral requirements for derivative transactions are laid down as part of credit sanction terms on a case by case basis. Such collateral requirements are determined, based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

The credit risk in respect of customer derivative transactions is sought to be mitigated through a laid down policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalation/margin calls/termination.

Quantitative disclosure on risk exposure in derivatives<sup>\$</sup>:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2019			Interest rate Derivatives
		Forward Contracts <sup>^</sup>	CCS	Options	
<b>1</b>	<b>Derivatives (Notional Principal Amount)</b>				
	a) For hedging	56,970.61	-	-	14,315.09
	b) For trading	272,683.15	40,753.12	46,404.77	181,617.15
<b>2</b>	<b>Marked to Market Positions<sup>#</sup></b>				
	a) Asset (+)	3,764.51	2,698.28	1,485.72	1,509.36
	b) Liability (-)	(3,907.80)	(1,222.94)	(1,425.22)	(2,146.16)
<b>3</b>	<b>Credit Exposure<sup>@</sup></b>	13,477.22	6,709.64	1,603.96	3,743.38
<b>4</b>	<b>Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2019)</b>				
	a) on hedging derivatives	3.81	-	-	49.80
	b) on trading derivatives	8.76	2.56	298.94	57.93
<b>5</b>	<b>Maximum and Minimum of 100*PV01 observed during the year</b>				
	a) on hedging				
	i) Minimum	1.02	-	-	29.67
	ii) Maximum	12.34	-	-	60.55
	b) on Trading				
	i) Minimum	0.56	2.46	20.91	53.63
	ii) Maximum	8.76	5.71	306.14	78.97
	<sup>#</sup> Only on trading derivatives				
	<sup>@</sup> Includes accrued interest				
	<sup>^</sup> Excluding Tom/Spot contracts				

<sup>\$</sup> only Over The Counter derivatives included

(₹ in crores)

		As at 31 March, 2018			
Sr. No.	Particulars	Currency Derivatives			Interest rate Derivatives
		Forward Contracts <sup>^</sup>	CCS	Options	
<b>1</b>	<b>Derivatives (Notional Principal Amount)</b>				
	a) For hedging	40,335.85	-	-	12,024.79
	b) For trading	274,466.05	31,646.55	59,342.59	152,398.11
<b>2</b>	<b>Marked to Market Positions<sup>#</sup></b>				
	a) Asset (+)	2,182.90	1,734.30	1,488.58	1,130.94
	b) Liability (-)	(2,464.30)	(505.64)	(1,390.53)	(1,685.31)
<b>3</b>	<b>Credit Exposure<sup>@</sup></b>	13,074.02	4,799.22	1,670.63	2,991.32
<b>4</b>	<b>Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2018)</b>				
	a) on hedging derivatives	8.84	-	-	58.15
	b) on trading derivatives	7.32	3.68	97.84	47.27
<b>5</b>	<b>Maximum and Minimum of 100*PV01 observed during the year</b>				
	a) on hedging				
	i) Minimum	0.10	-	-	51.35
	ii) Maximum	12.84	5.32	-	85.73
	b) on Trading				
	i) Minimum	0.31	1.75	8.50	45.98
	ii) Maximum	10.19	3.68	108.73	64.71
	<sup>#</sup> Only on trading derivatives				
	<sup>@</sup> Includes accrued interest				
	<sup>^</sup> Excluding Tom/Spot contracts				

\$ only Over The Counter derivatives included

The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2019 was Nil (previous year Nil) and the mark-to-market value was Nil (previous year Nil).

1.1.30 Details of penalty/stricture levied by RBI during the year ended 31 March, 2019 is as under:

Amount (₹ in crores)	Reason for stricture issued/ levy of penalty by RBI	Date of payment of penalty
2.00	Non-compliance of RBI guidelines related to 'Collection of Account Payee Cheques – Prohibition on Crediting proceeds to Third Party Account' and Master Directions on 'Frauds- Classification and Reporting by commercial banks and select FIs'. Penalty was imposed in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949	16 February, 2019
0.20	Non-compliance of RBI guidelines related to 'Detection and Impounding of Counterfeit Notes' and 'Sorting of Notes – Installation of Note Sorting Machines'. Penalty was imposed in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949	5 February, 2019
-	Caution letter issued by RBI on 25 February, 2019 for non compliance of RBI directives on time bound implementation and strengthening of SWIFT related operational controls	-

Details of penalty/stricture levied by RBI during the year ended 31 March, 2018 is as under:

Amount (₹ in crores)	Reason for stricture issued / levy of penalty by RBI	Date of payment of penalty
3.00	Non-compliance of RBI guidelines on income Recognition and Asset Classification (IRAC) norms. Penalty was imposed in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949	7 March, 2018

#### 1.1.31 Disclosure of customer complaints

##### (a) Disclosure of customer complaints relating to Bank's customers on Bank's ATMs

	31 March, 2019	31 March, 2018
a. No. of complaints pending at the beginning of the year	284	143
b. No. of complaints received during the year	115,737	51,096
c. No. of complaints redressed during the year	116,021	50,955
d. No. of complaints pending at the end of the year	-	284

##### (b) Disclosure of customer complaints relating to Bank's customers on other bank's ATMs

	31 March, 2019	31 March, 2018
a. No. of complaints pending at the beginning of the year	2,360	1,233
b. No. of complaints received during the year	105,110	88,301
c. No. of complaints redressed during the year	107,470	87,174
d. No. of complaints pending at the end of the year	-	2,360

##### (c) Disclosure of customer complaints other than ATM transaction complaints

	31 March, 2019	31 March, 2018
a. No. of complaints pending at the beginning of the year	24,456	40,808
b. No. of complaints received during the year	78,442	229,027
c. No. of complaints redressed during the year	101,681	245,379
d. No. of complaints pending at the end of the year	1,217	24,456

##### (d) Total customer complaints

	31 March, 2019	31 March, 2018
a. No. of complaints pending at the beginning of the year	27,100	42,184
b. No. of complaints received during the year	299,289	368,424
c. No. of complaints redressed during the year	325,172	383,508
d. No. of complaints pending at the end of the year	1,217	27,100

The above information does not include complaints redressed within 1 working day and is as certified by the Management and relied upon by the auditors.



## 1.1.32 Disclosure of Awards passed by the Banking Ombudsman

	31 March, 2019	31 March, 2018
a. No. of unimplemented awards at the beginning of the year	-	-
b. No. of awards passed by the Banking Ombudsman during the year	-	-
c. No. of awards implemented during the year	-	-
d. No. of unimplemented awards at the end of the year	-	-

The above information is as certified by the Management and relied upon by the auditors.

## 1.1.33 Draw Down from Reserves

During the year ended 31 March, 2019 the Bank has made a draw down out of the Investment Reserve account towards depreciation on investments in AFS and HFT categories in terms of RBI guidelines.

During the year ended 31 March, 2018 the Bank has not undertaken any draw down from reserves, except towards issue expenses incurred for the equity raising through the preferential issue, which have been adjusted against the share premium account.

## 1.1.34 Letter of Comfort

The Bank has not issued any Letter of Comfort (LoC) on behalf of its subsidiaries during the current and previous year.

## 1.1.35 Disclosure on Remuneration

**Qualitative disclosures****a) Information relating to the bodies that oversee remuneration:**

- ❖ Name, composition and mandate of the main body overseeing remuneration:

The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the compensation policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks.

As at 31 March, 2019, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Shri Rakesh Makhija - Chairman
2. Shri Rohit Bhagat
3. Shri Som Mittal
4. Shri Stephen Pagliuca

In respect of Remuneration/HR matters, the Nomination and Remuneration Committee of the Board, functions with the following main objectives:

- a. Review and recommend to the Board for approval, the overall remuneration framework and associated policy of the Bank (including remuneration policy for Directors and key managerial personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTD) and senior managers one level below the Board.

- b. Review and recommend to the Board for approval, the total increase in manpower cost budget of the Bank as a whole, at an aggregate level, for the next year.
- c. Recommend to the Board the compensation payable to the Chairman of the Bank.
- d. Review the Code of Conduct and HR strategy, policy and performance appraisal process within the Bank, as well as any fundamental changes in organisation structure which could have wide ranging or high risk implications.
- e. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers one level below the Board and other key roles and their progression to the Board.
- f. Review and recommend to the Board for approval:
  - the creation of new positions one level below MD & CEO
  - appointments, promotions and exits of senior managers one level below the MD & CEO
- g. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, WTDs and Group Executives for the financial year and over the medium to long term.
- h. Review the performance of the MD & CEO and other WTDs at the end of each year.
- i. Review organisation health through feedback from employee surveys conducted on a regular basis.
- j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.

- ❖ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:

The Nomination and Remuneration Committee has commissioned Aon Hewitt, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon Hewitt every year. Aon Hewitt collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to Bank employees.

- ❖ A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to foreign subsidiaries and branches:

The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.

- ❖ A description of the type of employees covered and number of such employees:

Employees are categorised into following three categories from remuneration structure and administration standpoint:

### Category 1

MD & CEO and WTDs. This category includes 5 employees.

### Category 2

All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance. This category includes 27 employees.

### Category 3: Other Staff

'Other Staff' has been defined as a "group of employees who pose a material risk". This category includes all the employees of the Bank in the grade of Executive Vice President (EVP) and above and also few other key business roles in case they are below the grade of Executive Vice President. This category includes 32 employees.

## b) Information relating to the design and structure of remuneration processes:

- ❖ An overview of the key features and objectives of remuneration policy:

The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:

- Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness
- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Options for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for MD & CEO and WTDs is aligned to RBI's guidelines for sound compensation practices (effective FY 2012-13) and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudent risk-taking through well designed and consistent compensation structures
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders

Accordingly, the compensation policy for MD & CEO and WTDs seeks to:

- Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks
- Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank
- Include an appropriate variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking

- d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

Compensation is structured in terms of fixed pay, variable pay and employee stock options (for selective employees), with a strong linkage of variable pay to performance. The compensation policy of the Bank is approved by the Nomination and Remuneration Committee. Additional approval from Shareholders and RBI is obtained specifically for compensation of MD & CEO and WTDs.

- ❖ Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

The Nomination and Remuneration committee reviews the Bank's remuneration policy every year. There were no major changes made in the remuneration policy during the year.

- ❖ A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:

The Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the Balanced Scorecard / key deliverables of staff in these functions. The parameters reviewed for performance based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation.

- c) **Description of the ways in which current and future risks are taken into account in the remuneration processes:**

- ❖ An overview of the key risks that the Bank takes into account when implementing remuneration measures:

The business activity of the Bank is undertaken within the limits of the following risk measures to achieve the financial plan. The Financial Perspective in the Bank's BSC contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to.

- ❖ An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:

The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the Balanced Scorecard used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.

- ❖ A discussion of the ways in which these measures affect remuneration:

The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.

- ❖ A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:

During FY 2018-19, the risk measures were reviewed and certain additional metrics pertaining to Operations Risk were incorporated in the Balanced Scorecards, in view of the challenges faced by the Banking industry in recent years.

d) **Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:**

The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The non-financial goals for employees includes customer service, process improvement, adherence to risk and compliance norms, operations and process control, learning and knowledge development.

❖ An overview of main performance metrics for Bank, top level business lines and individuals:

The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals. The approach broadly comprises financial, customer, internal processes, compliance and people perspectives and includes parameters on revenue and profitability, business growth, customer initiatives, operational efficiencies, regulatory compliance, risk management and people management.

❖ A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate the talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure both internal and external equity in line with emerging market trends. However, the business model and affordability form the overarching boundary conditions.

The Bank follows a Balanced Scorecard approach for measuring performance at senior levels. The Balanced scorecard parameters for individuals are cascaded from the Bank's Balanced Scorecard. The Management Committee or the Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals. For all other employees, performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay and ESOPs are linked to the final performance ratings.

❖ A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak:

In cases where the performance metrics are weak or not well defined to measure the performance effectively, the Bank uses discretion to reward such employees. The remuneration is then influenced by the operational performance parameters of the Bank along with individual performance achievement.

Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees. The Financial Perspective in the Bank's BSC contains metrics pertaining to growth,

profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to.

As a prudent measure, a portion of variable pay if it exceeds a certain threshold is deferred and is paid proportionately over a period of 3 years. The deferred variable pay amount of reference year would be held back in case of any misrepresentation or gross inaccuracy resulting in a wrong risk assessment.

e) **Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance:**

- ❖ A discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

The deferral of the Variable Pay for the three categories of employees as stated earlier is given below:

Category 1: MD & CEO and WTDs

Variable Pay will not exceed 70% of the Fixed Pay

To ensure that risk measures do not focus only on achieving short term goals, variable payout is deferred. If the variable pay exceeds 40% of fixed pay, 45% of the variable pay to be deferred proportionately over a period of three years.

Category 2: All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance

- Variable Pay will be paid on the basis of laid down risk control, compliance and process improvement parameters in the balanced scorecard / key deliverables of staff in this function
- The parameters will be independent of performance of the business area they oversee and will commensurate with their key role in the Bank
- The ratio of fixed and variable compensation will be weighed towards fixed compensation
- Percentage of variable pay to be capped at 70% of fixed pay
- Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

Category 3: Other Staff

- Variable Pay will be paid on the basis of performance against key deliverables and overall business performance for the financial year
- Percentage of variable pay to be capped at 70% of fixed pay
- Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

- ❖ A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:

The deferred portion of the variable pay may be delayed in the event of an enquiry determining gross negligence or breach of integrity. The deferred portion is withheld by the Bank till the completion of such enquiries, if any. As a result, no claw back arrangements are made on the deferred portion of the variable pay.

f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms:

- ❖ An overview of the forms of variable remuneration offered:
  - Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees
  - Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees
- ❖ A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

Variable pay in the form of performance based bonus is paid out annually and is linked to performance achievement against balanced performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on profitability and cost income ratios. At senior management levels (and for certain employees with potential to cause material impact on risk exposure), a portion of variable compensation may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. Long term variable pay is administered in the form of ESOPs with an objective of enabling employee participation in the business as an active stakeholder and to usher in an 'owner-manager' culture. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee, in terms of the said Regulations and in line with best practices, subject to the approval of RBI. The current ESOP design has an inbuilt deferral intended to spread and manage risk.

#### Quantitative disclosures

- a) The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and other risk takers for the year ended 31 March, 2019 and 31 March, 2018 are given below. Other risk takers include all employees in the grade of Executive Vice President (EVP) and above and also cover certain select roles in case they are below the grade of EVP.

	31 March, 2019	31 March, 2018
a. i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	16	8
ii) Remuneration paid to its members (sitting fees)	₹29,50,000	₹15,00,000
b. Number of employees having received a variable remuneration award during the financial year	29*	33*
c. Number and total amount of sign-on awards made during the financial year	N.A.	N.A.
d. Number and total amount of guaranteed bonus awarded during the financial year, if any	N.A.	N.A.
e. Details of severance pay, in addition to accrued benefits, if any	N.A.	N.A.
f. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	-	₹0.34 crores (cash bonus)

	31 March, 2019	31 March, 2018
g. Total amount of deferred remuneration paid out in the financial year	₹0.34 crores	₹0.65 crores
h. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used	Fixed - ₹49.80 crores#	Fixed - ₹41.00 crores#
	Variable - ₹9.41 crores*	Variable - ₹9.78 crores*
	Deferred - Nil	Deferred - Nil
	Non-deferred - ₹9.41 crores*	Non-deferred - ₹9.78 crores*
	Number of stock options granted during the financial year - 2,479,000	Number of stock options granted during the financial year - 3,067,750
i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	N.A.	N.A.
j. Total amount of reductions during the financial year due to ex-post explicit adjustments	N.A.	N.A.
k. Total amount of reductions during the financial year due to ex-post implicit adjustments	N.A.	N.A.

\* pertains to FY 2016-17 paid to MD & CEO and WTDs and for FY 2017-18 paid to other risk takers (previous years pertains to other risk takers for FY 2016-17)

# Fixed Remuneration includes basic salary, fixed allowance, leave fare concession, house rent allowance, super annuation allowance, certain other allowances, gratuity payout, leave encashment and contribution towards provident fund and superannuation fund. Payments in nature of reimbursements have been excluded from fixed remuneration

b) Disclosure for compensation of Non-executive Directors (Except Part-time Chairman):

	31 March, 2019	31 March, 2018
a. Amount of remuneration paid during the year (pertains to preceding year)	-	1.02

1.1.36 The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by the Bank are as under:

Sr. No.	Nature of Income	31 March, 2019	31 March, 2018
1.	For selling life insurance policies	640.50	539.49
2.	For selling non-life insurance policies	68.62	56.40
3.	For selling mutual fund products	416.09	388.46
4.	Others (wealth advisory, RBI and other bonds etc.)	99.11	88.48
	<b>Total</b>	<b>1,224.32</b>	<b>1,072.83</b>

1.1.37 The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.



1.1.38 Amount of total assets, non-performing assets and revenue of overseas branches is given below:

(₹ in crores)

Particulars	31 March, 2019	31 March, 2018
Total assets	47,941.15	61,007.58
Total NPAs	3,727.06	4,311.02
Total revenue	3,416.09	2,380.67

1.1.39 During the years ended 31 March, 2019 and 31 March, 2018 the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities and sales to RBI under OMO auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

1.1.40 Disclosure on transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in crores)

Particulars	31 March, 2019	31 March, 2018
Opening balance of amounts transferred to DEAF	97.14	64.90
Add : Amounts transferred to DEAF during the year	66.85	34.07
Less : Amounts reimbursed by DEAF towards claims	(2.46)*	(1.83)*
Closing balance of amounts transferred to DEAF	161.53	97.14

\*includes ₹0.16 crores (previous year ₹0.39 crores) of claim raised and pending settlement with RBI

1.1.41 Disclosure on Intra-Group Exposures

(₹ in crores)

Particulars	31 March, 2019	31 March, 2018
Total amount of intra-group exposures	6,895.64	4,954.82
Total amount of top-20 intra-group exposures	6,895.64	4,954.80
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	0.85	0.68

During the years ended 31 March, 2019 and 31 March, 2018, the intra-group exposures were within the limits specified by RBI.

The above information is as certified by the Management and relied upon by the auditors.

1.1.42 Unhedged Foreign Currency Exposure

The Bank's Corporate Credit Policy lays down the framework to manage credit risk arising out of unhedged foreign currency exposures of the borrowers. Both at the time of initial approval as well as subsequent reviews/renewals, the assessment of credit risk arising out of foreign currency exposure of the borrowers include details of imports, exports, repayments of foreign currency borrowings, as well as hedges done by the borrowers or naturally enjoyed by them vis-a-vis their intrinsic financial strength, history of hedging and losses arising out of foreign currency volatility. The extent of hedge/cover required on the total foreign currency exposure including natural hedge and hedged positions, is guided through a matrix of internal ratings. The hedging policy is applicable for existing as well as new clients with foreign currency exposures above a predefined threshold. The details of un-hedged foreign currency exposure of customers for transactions undertaken through the Bank are monitored periodically. The Bank also maintains additional provision and capital, in line with RBI guidelines.

During the year ended 31 March, 2019, the Bank made a provision of ₹18.79 crores (previous year write back of ₹9.30 crores) towards un-hedged foreign currency exposures. As on 31 March, 2019, the Bank held incremental capital of ₹191.52 crores (previous year ₹220.11 crores) towards borrowers having un-hedged foreign currency exposures.

#### 1.1.43 Disclosure on provisioning pertaining to fraud accounts

(₹ in crores)

Particulars	31 March, 2019	31 March, 2018
Number of frauds reported during the year*	145	521
Amounts involved	529.04	353.97
Provisions held at the beginning of the year	356.59	125.49
Provisions made during the year	172.45	228.48
Provisions held at the end of the year	529.04	353.97
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

\* Excluding 22 cases (previous year 2 cases) amounting to ₹540.46 crores (previous year ₹98.96 crores) reported as fraud during the year and subsequently prudentially written off

#### 1.1.44 Disclosure on provisioning pertaining to Land held under 'Non-Banking assets acquired in satisfaction of claims'

(₹ in crores)

Particulars	31 March, 2019
Amount of Land held under 'Non-Banking assets acquired in satisfaction of claims'	2,208.61
Provisions held at the beginning of the year	-
Provisions made during the year by debiting profit and loss account	603.33
Unamortised provision debited from 'Balance in profit and loss account' under 'Reserves and Surplus'	1,605.28

#### 1.1.45 Details of Priority Sector Lending Certificates (PSLC) purchased by the Bank are set out below:

(₹ in crores)

Category	31 March, 2019	31 March, 2018
PSLC – General	17,470.00	9,416.00
PSLC – Micro Enterprises	2,375.00	300.00
<b>Total</b>	<b>19,845.00</b>	<b>9,716.00</b>

Details of PSLCs sold by the Bank are set out below:

(₹ in crores)

Category	31 March, 2019	31 March, 2018
PSLC – General	385.00	-
<b>Total</b>	<b>385.00</b>	-

#### 1.1.46 Disclosure on Liquidity Coverage Ratio

##### Qualitative disclosure

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR

maintenance to Board oversight and periodical review. The Bank computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the Risk Management Committee of the Board.

The Bank computes LCR on a daily basis and in accordance with RBI guidelines the quarterly disclosures of LCR contain data on the simple average calculated on daily observations over a period of 90 days.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities viz. Treasury Bills, Central and State Government securities. A relatively smaller part of HQLA is accounted for by the corporate bonds with mandated haircuts applied thereto.

The Bank monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the asset liability management framework. The Bank adheres to the regulatory and internal limits on Inter-bank liability and call money borrowings which form part of the ALM policy. The Bank's funding sources are fairly dispersed across sources and maturities.

Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies. Cash flows, if any, from collaterals posted against derivatives are not considered.

Apart from the LCR position in all currencies put together, the Bank monitors the LCR in US Dollar currency which qualifies as a significant currency as per RBI guidelines.

The liquidity risk management of the Bank is undertaken by the Asset Liability Management group in the Treasury in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review.

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

Quantitative disclosure

(₹ in crores)

	Quarter ended 31 March, 2019		Quarter ended 31 December, 2018		Quarter ended 30 September, 2018		Quarter ended 30 June, 2018	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLAs)		122,173.58		112,336.65		98,417.24		82,905.66
<b>Cash Outflows</b>								
2 Retail Deposits and deposits from small business customers, of which:	288,756.01	26,298.55	276,752.92	25,082.62	262,954.38	23,773.05	250,441.74	22,587.17
(i) Stable Deposits	51,541.11	2,577.06	51,853.44	2,592.67	50,447.68	2,522.38	49,140.03	2,457.00
(ii) Less Stable Deposits	237,214.90	23,721.49	224,899.48	22,489.95	212,506.70	21,250.67	201,301.71	20,130.17
3 Unsecured wholesale funding, of which :	156,131.98	79,803.19	147,846.47	74,665.27	138,551.93	71,267.03	133,534.29	68,572.86
(i) Operational deposits (all counterparties)	45,839.18	11,448.44	45,614.30	11,396.72	42,070.15	10,511.43	41,286.10	10,315.38
(ii) Non-operational deposits (all counterparties)	110,292.80	68,354.75	102,232.17	63,268.55	96,481.78	60,775.60	92,248.19	58,257.48
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		-		489.13		-		1,315.08
5 Additional requirements, of which:	33,663.94	22,274.62	44,959.20	31,958.57	39,442.47	27,091.98	37,859.76	25,588.32
(i) Outflows related to derivative exposures and other collateral requirements	20,690.63	20,690.63	30,309.69	30,309.69	25,518.93	25,518.93	23,839.39	23,839.39
(ii) Outflows related to loss of funding on debt products	35.28	35.28	112.93	112.93	179.59	179.59	136.23	136.23
(iii) Credit and liquidity facilities	12,938.03	1,548.71	14,536.58	1,535.95	13,743.95	1,393.46	13,884.14	1,612.70
6 Other contractual funding obligations	5,481.21	5,481.21	5,347.92	5,347.92	4,303.74	4,241.13	4,115.59	4,025.59
7 Other contingent funding obligations	229,362.92	9,296.33	232,701.55	9,189.17	236,628.98	9,380.16	226,614.14	8,914.06
<b>8 Total Cash Outflows</b>		<b>143,153.90</b>		<b>146,732.68</b>		<b>135,753.34</b>		<b>131,003.08</b>
<b>Cash Inflows</b>								
9 Secured lending (eg. reverse repo)	9,018.11	-	4,657.91	-	3,172.41	-	2,130.44	-
10 Inflows from fully performing exposures	34,209.85	24,150.15	34,751.35	24,671.71	36,368.55	24,909.84	31,469.06	20,819.65
11 Other cash inflows	20,164.89	20,164.89	30,454.88	30,454.88	25,478.59	25,478.59	23,503.92	23,503.92
<b>12 Total Cash Inflows</b>	<b>63,392.85</b>	<b>44,315.04</b>	<b>69,864.14</b>	<b>55,126.59</b>	<b>65,019.55</b>	<b>50,388.43</b>	<b>57,103.42</b>	<b>44,323.57</b>
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
<b>21 Total HQLA</b>		<b>122,173.58</b>		<b>112,336.65</b>		<b>98,417.24</b>		<b>82,905.66</b>
<b>22 Total Net Cash Outflows</b>		<b>98,838.86</b>		<b>91,606.09</b>		<b>85,364.91</b>		<b>86,679.51</b>
<b>23 Liquidity Coverage Ratio %</b>		<b>123.61%</b>		<b>122.63%</b>		<b>115.29%</b>		<b>95.65%</b>

Note: 1) Average for all the quarters is simple average of daily observations for the quarter.

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

(₹ in crores)

	Quarter ended 31 March, 2018		Quarter ended 31 December, 2017		Quarter ended 30 September, 2017		Quarter ended 30 June, 2017		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
<b>High Quality Liquid Assets</b>									
1	Total High Quality Liquid Assets (HQLAs)	79,973.26	73,116.53	71,834.98	71,379.76				
<b>Cash Outflows</b>									
2	Retail Deposits and deposits from small business customers, of which:	238,884.37	21,478.87	231,420.68	20,762.31	225,670.59	20,248.80	222,834.02	19,970.18
(i)	Stable Deposits	48,191.37	2,409.57	47,595.16	2,379.76	46,365.18	2,318.26	46,264.28	2,313.21
(ii)	Less Stable Deposits	190,693.00	19,069.30	183,825.52	18,382.55	179,305.41	17,930.54	176,569.74	17,656.97
3	Unsecured wholesale funding, of which :	134,036.28	71,532.35	136,167.50	68,709.21	129,994.35	64,211.05	125,377.35	63,394.94
(i)	Operational deposits (all counterparties)	40,656.37	10,158.50	44,378.91	11,089.40	40,099.06	10,019.37	36,389.68	9,091.82
(ii)	Non-operational deposits (all counterparties)	93,379.91	61,373.85	91,788.59	57,619.81	89,895.29	54,191.68	88,987.67	54,303.12
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	805.00	478.26	673.91	618.13				
5	Additional requirements, of which:	37,389.88	28,299.66	49,195.82	38,150.38	34,403.02	22,945.12	30,661.83	22,632.38
(i)	Outflows related to derivative exposures and other collateral requirements	26,614.31	26,614.31	33,064.39	33,064.39	21,302.10	21,302.10	21,433.96	21,433.97
(ii)	Outflows related to loss of funding on debt products	311.69	311.69	2,981.08	2,981.08	186.50	186.50	162.21	162.21
(iii)	Credit and liquidity facilities	10,463.88	1,373.66	13,150.35	2,104.91	12,914.42	1,456.52	9,065.66	1,036.20
6	Other contractual funding obligations	4,128.51	4,038.52	4,003.84	3,913.84	4,035.69	3,945.69	3,591.80	3,501.80
7	Other contingent funding obligations	224,085.43	8,718.93	222,696.55	8,685.97	211,371.82	8,181.74	205,149.55	7,942.22
8	<b>Total Cash Outflows</b>	<b>134,873.33</b>	<b>140,699.97</b>	<b>120,206.31</b>	<b>118,059.65</b>				
<b>Cash Inflows</b>									
9	Secured lending (eg. reverse repo)	673.75	-	673.52	-	1,323.93	-	2,799.40	-
10	Inflows from fully performing exposures	36,820.48	22,956.72	35,799.85	21,898.49	30,901.05	20,233.70	30,430.62	19,018.98
11	Other cash inflows	26,488.54	26,488.54	33,485.59	33,289.34	21,315.71	21,315.72	21,412.85	21,412.85
12	<b>Total Cash Inflows</b>	<b>63,982.77</b>	<b>49,445.26</b>	<b>69,958.96</b>	<b>55,187.83</b>	<b>53,540.69</b>	<b>41,549.42</b>	<b>54,642.87</b>	<b>40,431.83</b>
	Total adjusted Value								
21	<b>Total HQLA</b>	<b>79,973.26</b>	<b>73,116.53</b>	<b>71,834.98</b>	<b>71,379.76</b>				
22	<b>Total Net Cash Outflows</b>	<b>85,428.07</b>	<b>85,512.14</b>	<b>78,656.89</b>	<b>77,627.82</b>				
23	<b>Liquidity Coverage Ratio %</b>	<b>93.61%</b>	<b>85.50%</b>	<b>91.33%</b>	<b>91.95%</b>				

Note: 1) Average for all the quarters is simple average of daily observations for the quarter.

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

## 1.2 Other disclosures

- 1.2.1 During the year, the Bank has appropriated ₹124.93 crores (previous year ₹101.65 crores) to the Capital Reserve, net of taxes and transfer to statutory reserve, being the gain on sale of HTM investments in accordance with RBI guidelines. As advised by RBI, the Bank has also appropriated ₹0.16 crores (previous year Nil) to the capital reserve, net of taxes and transfer to statutory reserve, being the profit on sale of immovable property.
- 1.2.2 During the year, the Bank has appropriated ₹600.00 crores to the Investment Fluctuation Reserve in accordance with RBI guidelines.
- 1.2.3 During the year, the Bank has appropriated ₹0.63 crores (previous year ₹1.62 crores) to Reserve Fund account towards statutory reserve in accordance with guidelines issued by Central Bank of Sri Lanka in respect of Colombo branch operations.
- 1.2.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2019	31 March, 2018
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	4,676.61	275.68
Basic weighted average no. of shares (in crores)	256.90	244.51
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	1.58	0.75
Diluted weighted average no. of shares (in crores)	258.48	245.26
Basic EPS (₹)	18.20	1.13
Diluted EPS (₹)	18.09	1.12
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 9,813,655 stock options and 6,033,509 warrants (previous year 7,517,504 stock options).

### 1.2.5 Employee Stock Options Scheme ('the Scheme')

Pursuant to the approval of the shareholders in February 2001, the Bank approved an Employee Stock Option Scheme under which eligible employees are granted an option to purchase shares subject to vesting conditions. Over the period till March 2019, pursuant to the approval of the shareholders, the Bank approved ESOP schemes for options aggregating 265,087,000 that vest in a graded manner over 3 years. The options can be exercised within three/five years from the date of the vesting as the case may be. Within the overall ceiling of 265,087,000 stock options approved for grant by the shareholders as stated earlier, the Bank is authorised to issue options to eligible employees and Whole Time Directors of the subsidiary companies.

253,158,700 options have been granted under the Scheme till the previous year ended 31 March, 2018.

On 25 April, 2018, the Bank granted 5,825,000 stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹504.85 per option. Further, on 7 January, 2019, the Bank granted 630,000 stock options (each option representing entitlement to one equity share of the Bank) to its MD & CEO at a grant price of ₹619.60 per option.

Stock option activity under the Scheme for the year ended 31 March, 2019 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	29,554,909	217.33 to 535.00	432.45	4.22
Granted during the year	6,455,000	504.85 to 619.60	516.05	-
Forfeited during the year	(748,700)	306.54 to 535.00	500.67	-
Expired during the year	(22,400)	288.96	288.96	-
Exercised during the year	(5,105,935)	217.33 to 535.00	336.29	-
<b>Outstanding at the end of the year</b>	<b>30,132,874</b>	<b>288.96 to 619.60</b>	<b>465.06</b>	<b>4.13</b>
<b>Exercisable at the end of the year</b>	<b>17,138,224</b>	<b>288.96 to 535.00</b>	<b>436.22</b>	<b>2.87</b>

The weighted average share price in respect of options exercised during the year was ₹623.15.

Stock option activity under the Scheme for the year ended 31 March, 2018 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	29,711,124	217.33 to 535.00	383.16	3.98
Granted during the year	6,885,750	503.00	503.00	-
Forfeited during the year	(810,120)	306.54 to 535.00	470.15	-
Expired during the year	(57,910)	217.33 to 289.51	275.32	-
Exercised during the year	(6,173,935)	217.33 to 535.00	270.47	-
<b>Outstanding at the end of the year</b>	<b>29,554,909</b>	<b>217.33 to 535.00</b>	<b>432.45</b>	<b>4.22</b>
<b>Exercisable at the end of the year</b>	<b>16,062,159</b>	<b>217.33 to 535.00</b>	<b>378.40</b>	<b>2.85</b>

The weighted average share price in respect of options exercised during the year was ₹524.51.

#### Fair Value Methodology

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be as follows:

	31 March, 2019	31 March, 2018
Net Profit (as reported) (₹ in crores)	4,676.61	275.68
Add: Stock based employee compensation expense included in net income (₹ in crores)	-	-
Less: Stock based employee compensation expense determined under fair value based method (Proforma) (₹ in crores)	(95.04)	(102.86)
<b>Net Profit (Proforma) (₹ in crores)</b>	<b>4,581.57</b>	<b>172.82</b>
<b>Earnings per share: Basic (in ₹)</b>		
As reported	18.20	1.13
Proforma	17.83	0.71
<b>Earnings per share: Diluted (in ₹)</b>		
As reported	18.09	1.12
Proforma	17.77	0.70

During the years ended, 31 March, 2019 and 31 March, 2018, no cost has been incurred by the Bank on ESOPs

issued to the employees of the Bank and employees of subsidiaries under the intrinsic value method.

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	<b>31 March, 2019</b>	<b>31 March, 2018</b>
Dividend yield	0.76%	1.16%
Expected life	2.57-4.57 years	2.57-4.57 years
Risk free interest rate	7.07% to 7.63%	6.55% to 6.82%
Volatility	28.78% to 30.82%	31.80% to 33.56%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2019 is ₹164.10 (previous year ₹155.53).

On 27 March, 2019, the Nomination and Remuneration Committee of the Board of Directors of the Bank has approved the grant of upto 10,500,000 stock options to eligible employees. As on March 31, 2019, there have been no allotments of options under this grant. Accordingly, these options have not been considered in the above disclosure and for disclosure of proforma net profit and EPS under fair value method for FY 2018-19.

#### 1.2.6 Proposed Dividend

The Board of Directors, in their meeting held on 25 April, 2019 have proposed a final dividend of ₹1 per equity share amounting to ₹283.08 crores, inclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the Annual General Meeting.

#### 1.2.7 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified based on the RBI's revised guidelines on Segment Reporting issued on 18 April, 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under:

<b>Segment</b>	<b>Principal Activities</b>
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.



Segment	Principal Activities
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, money received against share warrants, tax paid in advance net of provision etc.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Segmental results are set out below:

(₹ in crores)

	31 March, 2019				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
<b>Segment Revenue</b>					
Gross interest income (external customers)	13,848.40	17,439.94	23,697.43	-	54,985.77
Other income	2,355.65	4,320.54	5,224.37	1,229.78	13,130.34
<b>Total income as per Profit and Loss Account</b>	<b>16,204.05</b>	<b>21,760.48</b>	<b>28,921.80</b>	<b>1,229.78</b>	<b>68,116.11</b>
Add/(less) inter segment interest income	57,991.83	6,175.11	20,249.77	0.01	84,416.72
<b>Total segment revenue</b>	<b>74,195.88</b>	<b>27,935.59</b>	<b>49,171.57</b>	<b>1,229.79</b>	<b>152,532.83</b>
Less: Interest expense (external customers)	16,884.94	1,170.08	15,222.58	-	33,277.60
Less: Inter segment interest expense	54,359.22	13,520.57	16,536.06	0.87	84,416.72
Less: Operating expenses	414.52	3,800.03	11,265.40	353.45	15,833.40

	31 March, 2019				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
<b>Operating profit</b>	<b>2,537.20</b>	<b>9,444.91</b>	<b>6,147.53</b>	<b>875.47</b>	<b>19,005.11</b>
Less: Provision for non-performing assets/others*	690.12	9,026.31	2,248.59	66.00	12,031.02
<b>Segment result</b>	<b>1,847.08</b>	<b>418.60</b>	<b>3,898.94</b>	<b>809.47</b>	<b>6,974.09</b>
Less: Provision for tax					2,297.48
Extraordinary profit/loss					-
<b>Net Profit</b>					<b>4,676.61</b>
Segment assets	283,985.76	238,692.89	268,642.17	337.05	791,657.87
Unallocated assets					9,338.66
<b>Total assets</b>					<b>800,996.53</b>
Segment liabilities	274,441.80	129,036.23	329,975.67	53.89	733,507.59
Unallocated liabilities					812.64
<b>Total liabilities</b>					<b>734,320.23</b>
<b>Net assets</b>	<b>9,543.96</b>	<b>109,656.65</b>	<b>(61,333.49)</b>	<b>283.16</b>	<b>66,676.30</b>
<b>Capital expenditure for the year</b>	15.52	200.43	674.32	14.80	905.07
<b>Depreciation on fixed assets for the year</b>	12.17	157.17	528.78	11.60	709.72

\*represents material non-cash items other than depreciation

(₹ in crores)

	31 March, 2018				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
<b>Segment Revenue</b>					
Gross interest income (external customers)	11,825.78	14,607.46	19,347.07	-	45,780.31
Other income	3,088.74	2,812.03	3,988.73	1,077.59	10,967.09
<b>Total income as per Profit and Loss Account</b>	<b>14,914.52</b>	<b>17,419.49</b>	<b>23,335.80</b>	<b>1,077.59</b>	<b>56,747.40</b>
Add/(less) inter segment interest income	49,386.08	5,402.38	17,298.22	-	72,086.68
<b>Total segment revenue</b>	<b>64,300.60</b>	<b>22,821.87</b>	<b>40,634.02</b>	<b>1,077.59</b>	<b>128,834.08</b>
Less: Interest expense (external customers)	13,305.80	810.02	13,046.76	-	27,162.58
Less: Inter segment interest expense	45,761.40	12,352.62	13,972.08	0.58	72,086.68
Less: Operating expenses	383.64	3,731.86	9,753.64	121.20	13,990.34
<b>Operating profit</b>	<b>4,849.76</b>	<b>5,927.37</b>	<b>3,861.54</b>	<b>955.81</b>	<b>15,594.48</b>
Less: Provision for non-performing assets/others*	1,759.93	11,852.41	1,860.57	-	15,472.91
<b>Segment result</b>	<b>3,089.83</b>	<b>(5,925.04)</b>	<b>2,000.97</b>	<b>955.81</b>	<b>121.57</b>
Less: Provision for tax					(154.11)
Extraordinary profit/loss					-
<b>Net Profit</b>					<b>275.68</b>
Segment assets	228,322.23	223,754.56	229,710.81	690.55	682,478.15
Unallocated assets					8,851.43
<b>Total assets</b>					<b>691,329.58</b>

	31 March, 2018				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
Segment liabilities	230,818.80	132,836.77	263,380.50	25.08	627,061.15
Unallocated liabilities					823.17
<b>Total liabilities</b>					<b>627,884.32</b>
<b>Net assets</b>	<b>(2,496.57)</b>	<b>90,917.79</b>	<b>(33,669.69)</b>	<b>665.47</b>	<b>63,445.26</b>
<b>Capital expenditure for the year</b>	15.15	225.30	501.71	15.14	757.30
<b>Depreciation on fixed assets for the year</b>	11.36	169.01	376.37	11.36	568.10

\*represents material non-cash items other than depreciation

### Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Revenue	64,700.02	54,366.73	3,416.09	2,380.67	68,116.11	56,747.40
Assets	753,055.38	630,322.00	47,941.15	61,007.58	800,996.53	691,329.58
Capital Expenditure for the year	902.89	754.29	2.18	3.01	905.07	757.30
Depreciation on fixed assets for the year	707.05	565.53	2.67	2.57	709.72	568.10

### 1.2.8 Related party disclosure

The related parties of the Bank are broadly classified as:

#### a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)
- Life Insurance Corporation of India (LIC)
- General Insurance Corporation, New India Assurance Co. Limited, National Insurance Co. Limited, United India Insurance Co. Limited and The Oriental Insurance Co. Limited.

#### b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO) (w.e.f. 1 January, 2019)
- Ms. Shikha Sharma (MD & CEO) (upto 31 December, 2018)
- Mr. V. Srinivasan (Deputy Managing Director) (upto 20 December, 2018)
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)]
- Mr. Rajiv Anand [Executive Director (Wholesale Banking)]

**c) Relatives of Key Management Personnel**

Mr. Sanjaya Sharma, Ms. Usha Bharadwaj, Mr. Tilak Sharma, Ms. Tvisha Sharma, Dr. Sanjiv Bharadwaj, Dr. Prashant Bharadwaj, Dr. Brevis Bharadwaj, Dr. Reena Bharadwaj, Ms. Gayathri Srinivasan, Mr. V. Satish, Ms. Camy Satish, Ms. Ananya Srinivasan, Ms. Anagha Srinivasan, Ms. Geetha N., Ms. Chitra R., Ms. Sumathi N., Mr. S. Ranganathan, Mr. R. Narayan, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Ms. Mallika Dahiya, Ms. Jal Medha, Ms. Pooja Rathi, Mr. Jai Prakash Dahiya, Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry.

**d) Subsidiary Companies**

- Axis Capital Limited
- Axis Private Equity Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited
- Axis Bank UK Limited
- Axis Finance Limited
- Axis Securities Limited
- A.Treds Limited
- Accelyst Solutions Private Limited (w.e.f. 6 October, 2017)
- Freecharge Payment Technologies Private Limited (w.e.f. 6 October, 2017)

**e) Step down subsidiary companies**

- Axis Capital USA LLC (w.e.f. 2 August, 2017)

Based on RBI guidelines, details of transactions with step down subsidiaries are not disclosed since there is only one entity/party in this category.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2019 are given below:

Items/Related Party	(₹ in crores)				
	Promoters	Key Management Personnel	Relatives of Key Management Personnel <sup>#</sup>	Subsidiaries	Total
Dividend paid	-	-	-	-	-
Dividend received	-	-	-	131.10	<b>131.10</b>
Interest paid	554.78	0.41	0.12	17.41	<b>572.72</b>
Interest received	0.13	1.09	-	22.19	<b>23.41</b>
Investment of the Bank	-	-	-	197.17	<b>197.17</b>
Investment in non-equity instruments of related party	341.26	-	-	50.00	<b>391.26</b>
Investment of related party in the Bank	-	17.93	-	-	<b>17.93</b>
Redemption of Hybrid capital/Bonds of the Bank	1,510.00	-	-	-	<b>1,510.00</b>

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Total
Purchase of investments	205.00	-	-	-	205.00
Sale of investments	857.07	-	-	-	857.07
Management contracts	-	-	-	18.64	18.64
Remuneration paid	-	18.49	-	-	18.49
Contribution to employee benefit fund	16.53	-	-	-	16.53
Repayment of security deposits by related party	0.12	-	-	-	0.12
Non-funded commitments (issued)	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	352.14	352.14
Swaps/Forward contracts	-	-	-	138.31	138.31
Advance granted (net)	-	-	-	22.15	22.15
Advance repaid	0.45	7.38	-	621.41	629.24
Purchase of loans	-	-	-	-	-
Sell down of loans (including undisbursed loan commitments)	-	-	-	-	-
Receiving of services	120.46	-	-	969.90	1,090.36
Rendering of services	27.88	0.03	-	195.79*	223.70
Sale of foreign exchange currency to related party	-	1.35	0.01	-	1.36
Other reimbursements from related party	-	-	-	22.68	22.68
Other reimbursements to related party	0.66	-	-	1.09	1.75

# Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank

\* Net of reversal of ₹46 crores towards fees receivable from Axis Asset Management Company Limited, pursuant to change in SEBI guidelines

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Call/Term lending to related party	-	-	-	-	-
Deposits with the Bank	9,146.04	13.91	0.55	378.75	9,539.25
Placement of security deposits	0.31	-	-	-	0.31
Advances	6.62	10.90	0.03	437.58	455.13
Investment of the Bank	-	-	-	2,286.12	2,286.12
Investment in non-equity instruments of related party	290.05	-	-	-	290.05
Investment of related party in the Bank	93.60	0.08	-	-	93.68
Non-funded commitments	3.33	-	-	-	3.33
Investment of related party in Hybrid capital/Bonds of the Bank	2,790.00	-	-	-	2,790.00
Payable under management contracts	-	-	-	-	-
Other receivables (net)	-	-	-	17.94	17.94
Other payables (net)	-	-	-	88.19	88.19

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	17,078.36	22.86	5.49	890.52	<b>17,997.23</b>
Placement of deposits	0.43	-	-	-	<b>0.43</b>
Advances	154.79	19.66	0.17	1,172.33	<b>1,346.95</b>
Investment of the Bank	-	-	-	2,286.12	<b>2,286.12</b>
Investment of related party in the Bank	135.32	0.52	-	-	<b>135.84</b>
Investment in non-equity instruments of related party	290.05	-	-	-	<b>290.05</b>
Non-funded commitments	3.35	-	-	0.05	<b>3.40</b>
Call lending	-	-	-	340.78	<b>340.78</b>
Swaps/Forward contracts	-	-	-	3.03	<b>3.03</b>
Investment of related party in Hybrid Capital/Bonds of the Bank	4,300.00	-	-	-	<b>4,300.00</b>
Payable under management contracts	-	3.70	-	-	<b>3.70</b>
Other receivables (net)	-	-	-	55.02	<b>55.02</b>
Other payables (net)	-	-	-	88.19	<b>88.19</b>

The details of transactions of the Bank with its related parties during the year ended 31 March, 2018 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel <sup>#</sup>	Subsidiaries	Total
Dividend paid	343.52	1.08	-	-	<b>344.60</b>
Dividend received	-	-	-	256.06	<b>256.06</b>
Interest paid	545.58	0.22	0.19	15.48	<b>561.47</b>
Interest received	0.02	0.77	-	29.92	<b>30.71</b>
Investment of the Bank	-	-	-	325.00	<b>325.00</b>
Investment in non-equity instruments of related party	393.00	-	-	100.00	<b>493.00</b>
Investment of related party in the Bank	1,200.00	33.75	-	-	<b>1,233.75</b>
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-	<b>-</b>
Purchase of investments	188.69	-	-	-	<b>188.69</b>
Sale of investments	868.73	1.12	-	-	<b>869.85</b>
Management contracts	-	-	-	15.63	<b>15.63</b>
Remuneration paid	-	12.18	-	-	<b>12.18</b>
Contribution to employee benefit fund	16.16	-	-	-	<b>16.16</b>
Placement of deposits	0.05	-	-	-	<b>0.05</b>
Non-funded commitments (issued)	0.20	-	-	0.05	<b>0.25</b>

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Total
Call/Term lending to related party	-	-	-	311.94	<b>311.94</b>
Swaps/Forward contracts	-	-	-	131.65	<b>131.65</b>
Advance granted (net)	-	7.99	-	858.24	<b>866.23</b>
Advance repaid	6.50	0.04	-	-	<b>6.54</b>
Purchase of loans	-	-	-	18.17	<b>18.17</b>
Sell down of loans (including undisbursed loan commitments)	-	-	-	64.87	<b>64.87</b>
Receiving of services	105.28	-	-	785.10	<b>890.38</b>
Rendering of services	17.42	0.05	-	264.40	<b>281.87</b>
Sale of foreign exchange currency to related party	-	1.29	-	-	<b>1.29</b>
Other reimbursements from related party	-	-	-	8.11	<b>8.11</b>
Other reimbursements to related party	0.75	-	-	3.73	<b>4.48</b>

# Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2018 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Call/Term lending to related party	-	-	-	312.84	<b>312.84</b>
Deposits with the Bank	6,213.80	4.33	3.46	381.55	<b>6,603.14</b>
Placement of security deposits	0.43	-	-	-	<b>0.43</b>
Advances	7.07	18.31	0.04	1,016.33	<b>1,041.75</b>
Investment of the Bank	-	-	-	2,092.71	<b>2,092.71</b>
Investment in non-equity instruments of related party	205.70	-	-	-	<b>205.70</b>
Investment of related party in the Bank	135.29	0.50	-	-	<b>135.79</b>
Non-funded commitments	3.35	-	-	0.05	<b>3.40</b>
Investment of related party in Hybrid capital/Bonds of the Bank	4,300.00	-	-	-	<b>4,300.00</b>
Payable under management contracts	-	3.70	-	-	<b>3.70</b>
Other receivables (net)	-	-	-	35.52	<b>35.52</b>
Other payables (net)	-	-	-	51.85	<b>51.85</b>

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2018 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	10,153.25	17.12	5.78	830.10	<b>11,006.25</b>
Placement of security deposits	0.43	-	-	-	<b>0.43</b>
Advances	16.76	18.31	0.09	1,402.57	<b>1,437.73</b>
Investment of the Bank	-	-	-	2,092.71	<b>2,092.71</b>
Investment of related party in the Bank	137.76	0.50	-	-	<b>138.26</b>
Investment in non-equity instruments of related party	393.00	-	-	100.00	<b>493.00</b>
Non-funded commitments	3.39	-	-	0.05	<b>3.44</b>
Call lending	-	-	-	312.89	<b>312.89</b>
Swaps/Forward contracts	-	-	-	3.20	<b>3.20</b>
Investment of related party in Hybrid capital/ Bonds of the Bank	4,300.00	-	-	-	<b>4,300.00</b>
Payable under management contracts	-	3.70	-	-	<b>3.70</b>
Other receivables (net)	-	-	-	54.31	<b>54.31</b>
Other payables (net)	-	-	-	80.98	<b>80.98</b>

The transactions with Promoters and Key Management Personnel excluding those under management contracts are in nature of the banker-customer relationship.

Details of transactions with Axis Mutual Fund the fund floated by Axis Asset Management Company Ltd., the Bank's subsidiary has not been disclosed since the entity does not qualify as Related Parties as defined under the Accounting Standard 18, Related Party Disclosure, as notified under Section 2(2) and Section 133 of the Companies Act, 2013 and as per RBI guidelines.

The significant transactions between the Bank and related parties during the year ended 31 March, 2019 and 31 March, 2018 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Dividend paid</b>		
Life Insurance Corporation of India	-	165.04
Administrator of the Specified Undertaking of the Unit Trust of India	-	137.42
<b>Dividend received</b>		
Axis Finance Limited	-	121.28
Axis Capital Limited	117.60	102.90
Axis Trustee Services Limited	13.50	12.38
<b>Interest paid</b>		
Life Insurance Corporation of India	503.97	502.36



(₹ in crores)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Interest received</b>		
Axis Finance Limited	10.93	15.31
Axis Bank UK Limited	10.12	12.47
<b>Investment of the Bank</b>		
Axis Finance Limited	-	125.00
Accelyst Solutions Private Limited	-	100.00
Freecharge Payment Technologies Private Limited	-	100.00
Axis Bank UK Limited	183.77	-
<b>Investment in non-equity instruments of related party</b>		
United India Insurance Co. Limited	241.26	393.00
Oriental Insurance Co. Limited	100.00	-
Axis Finance Limited	50.00	100.00
<b>Investment of related party in the Bank</b>		
Life Insurance Corporation of India	-	1,200.00
Ms. Shikha Sharma	8.67	17.36
Mr. Rajiv Anand	4.05	6.71
Mr. Rajesh Dahiya	5.22	1.65
<b>Redemption of Subordinated Debts</b>		
Life Insurance Corporation of India	1,500.00	-
<b>Purchase of investments</b>		
United India Insurance Co. Limited	-	188.69
Oriental Insurance Co. Limited	205.00	-
<b>Sale of investments</b>		
New India Assurance Co. Limited	195.00	421.03
General Insurance Corporation Co. Limited	335.02	230.00
United India Insurance Co. Limited	141.29	157.44
Oriental Insurance Co. Limited	145.76	25.25
<b>Management contracts</b>		
Axis Securities Limited	6.61	7.05
A Treds Ltd	6.53	1.92
Axis Capital Limited	2.68	3.49
Axis Trustee Services Limited	2.80	3.10
<b>Remuneration paid</b>		
Ms. Shikha Sharma	6.83	4.84
Mr. V. Srinivasan	4.53	3.12
Mr. Rajiv Anand	3.18	2.44
Mr. Rajesh Dahiya	2.68	1.78
<b>Contribution to employee benefit fund</b>		
Life Insurance Corporation of India	16.53	16.16

(₹ in crores)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Placement of security deposits</b>		
Life Insurance Corporation of India	-	0.05
<b>Repayment of Call/Term lending by related party</b>		
Axis Bank UK Limited	352.14	311.94
<b>Swaps/Forward contracts</b>		
Axis Bank UK Limited	138.31	131.65
<b>Advance granted (net)</b>		
Axis Finance Limited	-	848.20
Axis Capital Limited	19.43	0.02
Accelyst Solutions Private Limited	2.60	-
<b>Advance repaid</b>		
Life Insurance Corporation of India	0.45	6.50
Axis Bank UK Limited	183.77	-
Axis Finance Limited	427.61	-
<b>Purchase of loans</b>		
Axis Bank UK Limited	-	18.17
<b>Sell down of loans (including undisbursed loan commitments)</b>		
Axis Bank UK Limited	-	64.87
<b>Receiving of services</b>		
Axis Securities Limited	878.80	740.45
<b>Rendering of services</b>		
Axis Asset Management Company Limited	226.47	249.67
<b>Sale of foreign exchange currency to related party</b>		
Ms. Shikha Sharma	1.14	1.29
Mr. Amitabh Choudhry	0.15	N.A.
<b>Other reimbursements from related party</b>		
Axis Capital Limited	3.90	4.10
Accelyst Solutions Private Limited	14.40	-
Axis Asset Management Company Limited	1.81	2.55
<b>Other reimbursements to related party</b>		
Axis Securities Limited	0.13	2.95
Life Insurance Corporation of India	0.66	0.75
Accelyst Solutions Private Limited	-	0.47
Axis Capital Limited	0.22	0.17
Axis Bank UK Limited	0.57	0.11

## 1.2.9 Leases

Disclosure in respect of assets taken on operating lease

This comprise of office premises/ATMs, cash deposit machines, staff quarters, electronic data capturing machines and IT equipment.

(₹ in crores)

	31 March, 2019	31 March, 2018
Future lease rentals payable as at the end of the year:		
- Not later than one year	775.07	718.43
- Later than one year and not later than five years	2,444.94	2,224.30
- Later than five years	2,235.49	1,844.71
Total of minimum lease payments recognised in the Profit and Loss Account for the year	833.95	800.26
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	5.50	4.25
Sub-lease payments recognised in the Profit and Loss Account for the year	2.08	0.60

The Bank has sub-leased certain of its properties taken on lease.

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

Disclosure in respect of assets given on operating lease

(₹ in crores)

	31 March, 2019	31 March, 2018
Gross carrying amount of premises at the end of the year	157.91	-
Accumulated depreciation at the end of the year	8.63	-
Total depreciation charged to profit and loss account for the year	0.65	-
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.99	-
- Later than one year and not later than five years	116.54	-
- Later than five years	100.08	-

There are no provisions relating to contingent rent.

## 1.2.10 Movement in fixed assets capitalised as application software (included in other Fixed Assets)

(₹ in crores)

Particulars	31 March, 2019	31 March, 2018
<b>At cost at the beginning of the year</b>	1,291.64	1,059.56
Additions during the year*	319.54	232.10
Deductions during the year	(0.22)	(0.02)
Accumulated depreciation as at 31 March	(1,056.47)	(857.75)
<b>Closing balance as at 31 March</b>	554.49	433.89
Depreciation charge for the year	198.72	166.09

\*includes movement on account of exchange rate fluctuation

1.2.11 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

As at	31 March, 2019	31 March, 2018
Deferred tax assets on account of provisions for loan losses	7,072.93	6,626.72
Deferred tax assets on account of amortisation of HTM investments	8.35	11.28
Deferred tax assets on account of provision for employee benefits	97.12	92.73
Deferred tax assets on account of other items	547.26	273.64
<b>Deferred tax assets</b>	<b>7,725.66</b>	<b>7,004.37</b>
Deferred tax liabilities on account of depreciation on fixed assets	61.14	103.10
Deferred tax liabilities on account of other items	23.79	24.92
<b>Deferred tax liabilities</b>	<b>84.93</b>	<b>128.02</b>
<b>Net Deferred tax assets</b>	<b>7,640.73</b>	<b>6,876.35</b>

1.2.12 Employee Benefits

#### **Provident Fund**

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank. Based on an actuarial valuation conducted by an independent actuary, there is no deficiency as at the Balance Sheet date.

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

#### **Profit and Loss Account**

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2019	31 March, 2018
Current Service Cost*	98.60	88.99
Interest on Defined Benefit Obligation	159.70	127.95
Expected Return on Plan Assets	(189.59)	(171.00)
Net Actuarial Losses/(Gains) recognised in the year	29.89	43.05
<b>Total included in "Employee Benefit Expense" [Schedule 16(l)]</b>	<b>98.60</b>	<b>88.99</b>
Actual Return on Plan Assets	132.30	140.05

\* includes contribution of ₹0.52 crores towards staff deputed at subsidiaries (previous year ₹0.46 crores)

## Balance Sheet

### Details of provision for provident fund

(₹ in crores)

	31 March, 2019	31 March, 2018
Fair Value of Plan Assets	2,245.71	2,006.65
Present Value of Funded Obligations	(2,245.71)	(2,006.65)
<b>Net Asset</b>	-	-
<b>Amounts in Balance Sheet</b>		
Liabilities	-	-
Assets	-	-
<b>Net Asset</b>	-	-

### Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2019	31 March, 2018
<b>Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	2,006.65	1,688.78
Current Service Cost	98.60	88.99
Interest Cost	159.70	127.95
Actuarial Losses/(Gains)	(27.40)	12.10
Employees Contribution	217.42	200.76
Liability transferred from/to other companies	(16.45)	(14.62)
Benefits Paid	(192.81)	(97.31)
<b>Closing Defined Benefit Obligation</b>	<b>2,245.71</b>	<b>2,006.65</b>

### Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2019	31 March, 2018
<b>Change in the Fair Value of Assets</b>		
<b>Opening Fair Value of Plan Assets</b>	2,006.65	1,688.78
Expected Return on Plan Assets	189.59	171.00
Actuarial Gains/(Losses)	(57.29)	(30.95)
Employer contribution during the period	98.60	88.99
Employee contribution during the period	217.42	200.76
Assets transferred from/to other companies	(16.45)	(14.62)
Benefits Paid	(192.81)	(97.31)
<b>Closing Fair Value of Plan Assets</b>	<b>2,245.71</b>	<b>2,006.65</b>

## Experience adjustments\*

(₹ in crores)

	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Defined Benefit Obligations	2,245.71	2,006.65	1,688.78	1,439.02	1,241.53
Plan Assets	2,245.71	2,006.65	1,688.78	1,439.02	1,241.53
Surplus/(Deficit)	-	-	-	-	-
Experience Adjustments on Plan Liabilities	(27.40)	12.10	20.83	12.08	(1.78)
Experience Adjustments on Plan Assets	(57.29)	(30.95)	0.58	(6.16)	(3.99)

\* information provided to the extent available with the Bank

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2019 %	31 March, 2018 %
Government securities	55.91	53.75
Bonds, debentures and other fixed income instruments	40.00	42.16
Equity shares	3.77	3.79
Others	0.32	0.30

	31 March, 2019	31 March, 2018
Discount rate for the term of the obligation	7.65%	7.95%
Average historic yield on the investment portfolio	8.88%	8.90%
Discount rate for the remaining term to maturity of the investment portfolio	7.55%	7.68%
Expected investment return	8.98%	9.17%
Guaranteed rate of return	8.65%	8.55%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹161.28 crores (previous year ₹149.49 crores) for the year.

The Hon'ble Supreme Court of India ("SC") by an order dated 28 February, 2019 in one case, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the Employees' Provident Fund Organisation, no effect of the said order has been given in the financial statements.

### Superannuation

The Bank contributed ₹16.29 crores (previous year ₹15.91 crores) to the employees' superannuation plan for the year.

### National Pension Scheme (NPS)

During the year, the Bank contributed ₹5.19 crores (previous year ₹3.82 crores) to the NPS for employees who have opted for the scheme.

### Leave Encashment

The liability of compensated absences of accumulated privileged leave of employees of the Bank is given below:

(₹ in crores)

	31 March, 2019	31 March, 2018
Liability – Privilege Leave	247.35	243.82*
<b>Total included in “Employee Benefit Expense” [Schedule 16(I)]</b>	<b>46.62</b>	<b>47.33</b>
<b>Assumptions</b>		
Discount rate	-	7.95% p.a.*
Salary escalation rate	-	7.00% p.a.*

\* based on actuarial valuation

### Gratuity

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

#### Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2019	31 March, 2018
Current Service Cost	44.67	39.07
Interest on Defined Benefit Obligation	29.15	22.81
Expected Return on Plan Assets	(24.61)	(21.68)
Net Actuarial Losses/(Gains) recognised in the year	7.86	(16.24)
Past Service Cost	-	28.33
<b>Total included in “Employee Benefit Expense” [Schedule 16(I)]</b>	<b>57.07</b>	<b>52.29</b>
Actual Return on Plan Assets	33.97	26.27

#### Balance Sheet

Details of provision for gratuity

(₹ in crores)

	31 March, 2019	31 March, 2018
Fair Value of Plan Assets	391.91	323.72
Present Value of Funded Obligations	(402.15)	(342.56)
Unrecognised past service cost	2.33	-
<b>Net Asset</b>	<b>(7.91)</b>	<b>(18.84)</b>
<b>Amounts in Balance Sheet</b>		
Liabilities	7.91	18.84
Assets	-	-
<b>Net Liability (included under Schedule 5 – Other Liabilities)</b>	<b>(7.91)</b>	<b>(18.84)</b>

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2019	31 March, 2018
<b>Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	342.56	284.83
Current Service Cost	44.67	39.07
Interest Cost	29.15	22.81
Actuarial Losses/(Gains)	17.22	(11.65)
Past service cost	2.33	28.33
Benefits Paid	(33.78)	(20.83)
<b>Closing Defined Benefit Obligation</b>	<b>402.15</b>	<b>342.56</b>

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2019	31 March, 2018
<b>Change in the Fair Value of Assets</b>		
<b>Opening Fair Value of Plan Assets</b>	323.72	279.65
Expected Return on Plan Assets	24.61	21.68
Actuarial Gains/(Losses)	9.36	4.59
Contributions by Employer	68.00	38.63
Benefits Paid	(33.78)	(20.83)
<b>Closing Fair Value of Plan Assets</b>	<b>391.91</b>	<b>323.72</b>

Experience adjustments

	(₹ in crores)				
	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Defined Benefit Obligations	402.15	342.56	284.83	232.55	206.96
Plan Assets	391.91	323.72	279.65	232.56	209.49
Surplus/(Deficit)	(10.24)	(18.84)	(5.18)	0.01	2.53
Experience Adjustments on Plan Liabilities	7.50	4.39	6.64	2.78	1.06
Experience Adjustments on Plan Assets	9.36	4.59	(1.64)	(5.36)	1.27

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2019	31 March, 2018
	%	%
Government securities	37.43	49.04
Bonds, debentures and other fixed income instruments	47.82	39.82
Money market instruments	5.38	8.70
Equity shares	2.00	2.22
Others	7.37	0.22



Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2019	31 March, 2018
Discount Rate	7.65% p.a.	7.95% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover		
- 18 to 30 (age in years)	20.00%	20.00%
- 31 to 44 (age in years)	10.00%	10.00%
- 45 to 59 (age in years)	5.00%	5.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

## 1.2.13 Provisions and contingencies

- a) Movement in provision for frauds included under other liabilities is set out below:

	31 March, 2019	31 March, 2018
Opening balance at the beginning of the year	60.98	59.40
Additions during the year	0.78	2.00
Reductions on account of payments during the year	-	(0.15)
Reductions on account of reversals during the year	(8.18)	(0.27)
<b>Closing balance at the end of the year</b>	<b>53.58</b>	<b>60.98</b>

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

	31 March, 2019	31 March, 2018
Opening provision at the beginning of the year	143.94	110.45
Provision made during the year	127.22	89.05
Reductions during the year	(65.26)	(55.56)
<b>Closing provision at the end of the year</b>	<b>205.90</b>	<b>143.94</b>

- c) Movement in provision for other contingencies is set out below:

	(₹ in crores)	
	31 March, 2019	31 March, 2018
Opening provision at the beginning of the year	150.66	595.62
Provision made during the year	655.26	342.25
Reductions during the year	(617.93)	(787.21)
<b>Closing provision at the end of the year</b>	<b>187.99</b>	<b>150.66</b>

Closing provision includes provision for legal cases and other contingencies. Provisions made and reductions during the year also include contingent provision for advances.

#### 1.2.14 Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

#### 1.2.15 Corporate Social Responsibility (CSR)

- a) Amount required to be spent by the Bank on CSR during the year ₹127.94 crores (previous year ₹186.82 crores).
- b) Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is ₹137.59 crores (previous year ₹133.77 crores), which comprise of following –

	31 March, 2019			31 March, 2018		
	In cash	Yet to be paid in cash (i.e. provision)	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	11.89	-	11.89	2.22	-	2.22
On purpose other than above	125.13	0.57	125.70	124.28	7.27	131.55

#### 1.2.16 Description of contingent liabilities

- a) Claims against the Bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax authorities and disputed by the Bank. Apart from claims assessed as possible, the Bank holds provision of ₹56.06 crores as on 31 March, 2019 (previous year ₹42.70 crores) towards claims assessed as probable.

- b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate/currency futures and forward rate agreements on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the owner the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective forward exchange and derivative contracts.

d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

e) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

f) Other items

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, commitments to venture capital funds/alternate investment funds, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end, demands raised by statutory authorities (other than income tax) and disputed by the Bank and amount transferred to Depositor Education and Awareness Fund (DEAF).

During earlier years, the Bank, through one of its overseas branches, had arranged Trade Credit (Buyers Credit loans) against Letters of Undertaking (LOUs) issued by Punjab National Bank (PNB), which were subsequently alleged as fraudulent by PNB. Prior to this declaration by PNB, such buyer's credit loans were sold down in the secondary market by the overseas branch to various participating banks under Risk Participation Agreements. As on 31 March 2019, there is no funded exposure outstanding in the overseas branch pursuant to such sell down. PNB has repaid the aggregate amount of all LOUs due upto 31 March 2019, pursuant to an undertaking issued to PNB, and made remittance to the overseas branch which has been passed on for onward payment to the participating banks. Based on the facts and circumstances of the case, internal findings and legal opinion, the Bank does not expect PNB has any valid right at this point in time, for refund by the Bank of the aggregate amount paid by PNB towards LOUs due upto 31 March 2019. However, as a matter of prudence, the aggregate amount of LOUs issued by PNB to the overseas branch against which buyer's credit was extended, aggregating to ₹4,082.51 crores has been disclosed as part of Contingent Liabilities in the Balance Sheet.

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

1.2.17 Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For Axis Bank Ltd.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.: 103523W/W100048

**Sanjiv Misra**

Chairman

**Purushottam Nyati**

Partner

Membership No.: 118970

**Samir K. Barua**

Director

**S. Vishvanathan**

Director

**B. Babu Rao**

Director

**Amitabh Chaudhry**

Managing Director & CEO

Date: 25 April, 2019

Place: Mumbai

**Girish V. Koliyote**

Company Secretary

**Jairam Sridharan**

Chief Financial Officer

**Rakesh Makhija**

Director

**Girish Paranjpe**

Director

# Independent Auditor's Report

To the Members of Axis Bank Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Axis Bank Limited (hereinafter referred to as "the Bank") and its subsidiaries (the Bank and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit and the consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Procedure performed
<b>IT Controls Framework</b> Axis Bank has a complex IT architecture to support its day to day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process. Each application has different rules incorporated in it and a different set of user access and authority matrix. These applications are interlinked using different technologies. Data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect financial reporting.	IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business centric. As a part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification, Authentication, Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.

Key Audit Matter	Procedure performed
<p>The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).</p> <p>We regard this area as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on a financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<p>We gathered a comprehensive understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>In ITGC testing we reviewed, on sample basis, control areas such as User Management, Change Management, Systems Security, Incident Management, Physical &amp; Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</p> <p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.</p> <p>We tested the control environment using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples of instances for our tests.</p> <p>Wherever deviations were noted either the same were explained to our satisfaction or we suitably modified our testing procedures to draw comfort.</p>
<p><b>Provisions and Write off of Advances</b></p>	<p><i>Provisions for Corporate advances against specific individual loans (wholesale banking)</i></p>
<p>The Bank's portfolio of advances to customers amounts to ₹4,94,79,797 Lacs as at March 31, 2019 comprising of ₹2,37,22,782 Lacs towards its Corporate Customers ("Wholesale Banking" customers) and ₹2,57,57,015 Lacs towards its Retail Customers ("Retail banking" customers). As required under Income Recognition, Asset Classification and provisioning norms (IRAC norms) and other circulars, notifications and directives issued by the Reserve Bank of India (RBI), the Bank classifies advances into performing and non-performing advances which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.</p> <p>The Bank, on case to case basis, as per its governing framework, identifies standard advances which require higher provision based on its evaluation of risk and internal ratings. The Bank also identifies sectors wherein the Bank perceives stress and makes higher provisions. Additionally, the Bank also identifies accounts which are to be technical written off based on the framework approved by the Bank's Board of Directors.</p> <p>The provisions for such advances and technical write off is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across a wide range of borrowers, products, industries and geographies and there is a high degree of complexity and judgement involved in recoverability of advances, estimating the provisions thereon and identification of accounts to be written off.</p> <p>The same resulted in significant audit effort to address the risks around loan recoverability and the determination of related provisions and write off.</p>	<p>1. Testing the key controls over borrower risk grading for wholesale loans (larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing advances.</p> <ul style="list-style-type: none"> <li>• We tested on sample basis, the approval of new lending facilities against the Bank's credit policies, the performance of annual loan assessments, and controls over the monitoring of credit quality.</li> <li>• We have assessed the process for classification by the management including identification of non-performing assets.</li> <li>• We tested on sample basis loans to form our own assessment as to whether impairment events had occurred and to assess whether impairments had been identified in a timely manner.</li> <li>• For the selected non-performing loans, we assessed management's forecast and inputs of recoverable cash flows, valuation of underlying security and collaterals, estimates of recoverable amounts on default and other sources of repayment.</li> </ul>

Key Audit Matter	Procedure performed
	<p>This included testing controls over the identification of exposures showing signs of stress, either due to internal factors specific to the borrower or external macroeconomic factors, and testing the timeliness of and the accuracy of risk assessments and risk grading against the requirements of the Bank's lending policies and RBI IRAC norms.</p> <p>2. Performing credit assessments of a sample of corporate loans managed by a specialised group assessed as high risk or impaired, focusing on larger exposures assessed by the Bank as showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We challenged the Bank's risk grading of the loan, their assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability.</p> <p><i>Provisions for Retail advances against specific individual loans (Retail banking)</i></p> <p>For retail loans (smaller customer exposures not monitored individually), testing controls over the systems which record lending arrears, group exposures into delinquency buckets based on the number of days loans are overdue, and calculate individual provisions. We tested automated calculation and change management controls and evaluated the Bank's oversight of the portfolios, with a focus on controls over delinquency statistics monitoring. We tested on sample basis the level of provisions held against different loan products based on the delinquency profile and challenged assumptions made in respect of expected recoveries, primarily from collateral held. We also carried out extensive data analytics procedures to identify exceptions and outliers.</p> <p><i>Provisions estimated across loan portfolios (collective provision)</i></p> <ol style="list-style-type: none"> <li>1. Testing the Bank's processes for making collective provision</li> <li>2. Review of the Policy for higher provision for weak standard advances and stressed sectors adopted by the Bank</li> <li>3. Validating the parameters used to calculate collective provisions with reference to IRAC norms and internal policy on higher provisions on weak standard advances;</li> <li>4. Testing the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;</li> <li>5. Re-performing, for a sample of retail and wholesale portfolios, the calculation of collective provisions, to determine the accuracy of the same.</li> </ol> <p><i>Technical write off across loan portfolios</i></p> <p>The Bank has adopted a framework for technical write off. We reviewed the framework and understood the process for identification of loan portfolios to be technically written off. We tested on sample basis, the accounts identified during the year to be written off for compliance with the aforesaid framework.</p>

## **Other Information**

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report forming part of the Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures). The Director's Report is expected to be made available to us after the date of this auditors report.

Our opinion on the consolidated financial statements does not cover the other information and the Basel III disclosures we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Bank's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Bank, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank and its subsidiaries, which are companies incorporated in India, have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statements of 9 subsidiaries, whose financial statements reflects total assets of ₹14,94,461.55 lacs and net asset of ₹2,43,992.23 lacs as at March 31, 2019, and total revenues of ₹2,45,731.54 lacs and net cash inflows amounting to ₹4,714.61 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

One of above subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles

generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) We did not audit the financial statements of 1 step down subsidiary, whose financial statements reflects total assets of ₹411.53 lacs and net assets of ₹369.67 lacs as at March 31, 2019, total revenues of ₹0.79 lacs and net cash inflows amounting to ₹24.89 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this step down subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid step down subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

- (c) The consolidated financial statements of the Bank for the previous year ended March 31, 2018, were audited by another firm of Chartered Accountants who have expressed an unmodified opinion on those statements vide their report dated May 16, 2018.

#### **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act and, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with accounting policies prescribed by RBI;
- e) On the basis of the written representations received from the directors of the Bank as on March 31, 2019 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Companies of the Group incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and its subsidiary companies incorporated in India and the operating effectiveness of such controls, we give our separate report in the "Annexure".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us in case of subsidiary Companies incorporated in India, the remuneration paid/provided by those subsidiaries to their directors during the year is in accordance with the provisions of section 197 of the Act. Further, Section 197 of the Act is not applicable by virtue of Section 35B (2A) of the Banking Regulation Act, 1949 to the Bank.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Schedule 12 – Contingent Liabilities to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank and its subsidiary companies incorporated in India,

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.103523W / W100048

**Purushottam Nyati**

Partner

Membership No. 118970

Place: Mumbai

Date: April 25, 2019

# Annexure to the Independent Auditor's Report

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Axis Bank Limited on the Consolidated Financial Statements for the year ended March 31, 2019]

## **Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Financial Statements of the Axis Bank Limited ("the Bank") as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Bank and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Consolidated Financial Statements.

### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of

records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Bank and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2019, based on the internal control with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to 8 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

#### **For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.103523W/W100048

#### **Purushottam Nyati**

Partner

Membership No.118970

Place: Mumbai

Date: April 25, 2019

# Consolidated Balance Sheet

As at 31 March, 2019

(₹ in Thousands)

	Schedule No.	As at 31-03-2019	As at 31-03-2018
<b>Capital and Liabilities</b>			
Capital	1	5,143,290	5,133,078
Reserves & Surplus	2	672,882,898	636,941,012
Minority Interest	2A	846,147	695,129
Deposits	3	5,507,459,351	4,556,577,642
Borrowings	4	1,612,498,292	1,557,670,924
Other Liabilities and Provisions	5	341,629,698	280,015,886
<b>Total</b>		<b>8,140,459,676</b>	<b>7,037,033,671</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of India	6	350,990,403	354,810,648
Balances with Banks and Money at Call and Short Notice	7	329,052,679	84,297,483
Investments	8	1,740,558,546	1,530,367,120
Advances	9	5,066,561,244	4,498,436,451
Fixed Assets	10	41,298,823	40,488,204
Other Assets	11	611,997,981	528,633,765
<b>Total</b>		<b>8,140,459,676</b>	<b>7,037,033,671</b>
Contingent Liabilities	12	7,582,289,751	7,391,397,673
Bills for Collection		519,728,573	495,656,026
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Balance Sheet

In terms of our report attached.

For Axis Bank Ltd.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.: 103523W/W100048

**Sanjiv Misra**

Chairman

**Purushottam Nyati**

Partner

Membership No.: 118970

**Samir K. Barua**

Director

**S. Vishvanathan**

Director

**B. Babu Rao**

Director

**Amitabh Chaudhry**

Managing Director & CEO

Date: 25 April, 2019

Place: Mumbai

**Girish V. Koliyote**

Company Secretary

**Jairam Sridharan**

Chief Financial Officer

**Rakesh Makhija**

Director

**Girish Paranjpe**

Director

# Consolidated Profit & Loss Account

For the year ended 31 March, 2019

	Schedule No.	Year ended 31-03-2019	Year ended 31-03-2018
(₹ in Thousands)			
<b>I Income</b>			
Interest earned	13	560,436,523	466,140,592
Other income	14	141,887,538	118,626,154
<b>Total</b>		<b>702,324,061</b>	<b>584,766,746</b>
<b>II Expenditure</b>			
Interest expended	15	338,834,746	276,036,927
Operating expenses	16	167,201,872	147,883,644
Provisions and contingencies	18 (1.1.1)	145,816,536	156,205,947
<b>Total</b>		<b>651,853,154</b>	<b>580,126,518</b>
<b>III Net Profit For The Year</b>		50,470,907	4,640,228
Minority interest		(85,018)	(82,063)
<b>IV Consolidated Net Profit Attributable To Group</b>		50,385,889	4,558,165
Balance in Profit & Loss Account brought forward from previous year		235,543,472	248,815,549
<b>V Amount Available For Appropriation</b>		<b>285,929,361</b>	<b>253,373,714</b>
<b>VI Appropriations:</b>			
Transfer to Statutory Reserve		11,691,521	689,203
Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934		421,100	418,800
Transfer to/(from) Investment Reserve		(1,034,894)	1,034,894
Transfer to Capital Reserve		1,251,323	1,016,558
Transfer to General Reserve		96,508	80,595
Transfer to Investment Fluctuation Reserve		6,000,000	-
Transfer to/(from) Reserve Fund		6,280	16,158
Dividend paid (includes tax on dividend)	18 (1.1.6)	269,486	14,574,034
Balance in Profit & Loss Account carried forward		267,228,037	235,543,472
<b>Total</b>		<b>285,929,361</b>	<b>253,373,714</b>
<b>VII Earnings Per Equity Share</b>	18 (1.1.4)		
(Face value ₹2/- per share)			
Basic (in ₹)		19.61	1.86
Diluted (in ₹)		19.49	1.86
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

In terms of our report attached.

For Axis Bank Ltd.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No.: 103523W/W100048

Sanjiv Misra

Chairman

Purushottam Nyati

Partner

Membership No.: 118970

Samir K. Barua

Director

S. Vishvanathan

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director & CEO

Date: 25 April, 2019

Place: Mumbai

Girish V. Koliyote

Company Secretary

Jairam Sridharan

Chief Financial Officer

Rakesh Makhija

Director

Girish Paranjpe

Director

# Consolidated Cash Flow Statement

For the year ended 31 March, 2019

(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
<b>Cash flow from operating activities</b>		
<b>Net profit before taxes</b>	<b>75,835,511</b>	<b>5,576,753</b>
Adjustments for:		
Depreciation on fixed assets	7,371,694	5,905,799
Depreciation on investments	2,965,368	(2,076,781)
Amortisation of premium on Held to Maturity investments	3,231,548	2,853,172
Provision for Non Performing Assets (including bad debts)	102,721,131	166,305,686
Provision on standard assets	8,143,122	(1,243,679)
Profit/(loss) on sale of land, buildings and other assets (net)	247,690	167,090
Provision for country risk	-	(199,434)
Provision for restructured assets/strategic debt restructuring	(196,572)	(3,071,587)
Provision on unhedged foreign currency exposure	187,900	(93,000)
Provision for other contingencies	6,545,966	(4,433,847)
	<b>207,053,358</b>	<b>169,690,172</b>
Adjustments for:		
(Increase)/Decrease in investments	(41,551,810)	(77,302,723)
(Increase)/Decrease in advances	(667,024,418)	(833,046,826)
Increase / (Decrease) in deposits	950,881,709	406,750,890
(Increase)/Decrease in other assets	(93,650,319)	20,390,878
Increase/ (Decrease) in other liabilities & provisions	46,760,283	(37,559,206)
Direct taxes paid	(31,216,324)	(32,826,167)
<b>Net cash flow from operating activities</b>	<b>371,252,479</b>	<b>(383,902,982)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(8,803,657)	(8,549,837)
(Increase)/Decrease in Held to Maturity investments	(178,658,506)	(88,085,436)
Purchase of Freecharge business	-	(3,954,556)
Proceeds from sale of fixed assets	547,233	120,499
<b>Net cash used in investing activities</b>	<b>(186,914,930)</b>	<b>(100,469,330)</b>



(₹ in Thousands)

	Year ended 31-03-2019	Year ended 31-03-2018
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) from issue of subordinated debt, perpetual debt & upper Tier II instruments (net)	(17,000,000)	81,109,364
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments) (net)	71,827,368	258,473,945
Proceeds from issue of share capital	10,212	343,006
Proceeds from share premium (net of share issue expenses)	1,706,853	87,986,544
Payment of dividend (including dividend distribution tax)	(269,486)	(14,574,034)
Increase in minority interest	151,018	82,063
<b>Net cash generated from financing activities</b>	<b>56,425,965</b>	<b>413,420,888</b>
Effect of exchange fluctuation translation reserve	171,437	(43,096)
Net cash and cash equivalents taken over on acquisition of Freecharge Business	-	441,472
Net increase in cash and cash equivalents	240,934,951	(70,553,048)
Cash and cash equivalents at the beginning of the year	439,108,131	509,661,179
<b>Cash and cash equivalents at the end of the year</b>	<b>680,043,082</b>	<b>439,108,131</b>
<b>Notes to the Cash Flow Statement:</b>		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	350,990,403	354,810,648
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	329,052,679	84,297,483
<b>Cash and cash equivalents at the end of the year</b>	<b>680,043,082</b>	<b>439,108,131</b>
2. Amount of corporate Responsibility related expenses spent during the year in cash ₹148.80 crores (Previous Year 136.06 crores)		

In terms of our report attached.

For Axis Bank Ltd.

For Haribhakti &amp; Co. LLP

Chartered Accountants

Firm Registration No.: 103523W/W100048

Sanjiv Misra

Chairman

Purushottam Nyati

Partner

Membership No.: 118970

Samir K. Barua

Director

S. Vishvanathan

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director &amp; CEO

Date: 25 April, 2019

Place: Mumbai

Girish V. Koliyote

Company Secretary

Jairam Sridharan

Chief Financial Officer

Rakesh Makhija

Director

Girish Paranjpe

Director

# Schedules forming part of the Consolidated Balance Sheet

As at 31 March, 2019

## Schedule 1 - Capital

	(₹ in Thousands)	
	As at 31-03-2019	As at 31-03-2018
<b>Authorised Capital</b>		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
<b>Issued, Subscribed and Paid-up capital</b>		
2,571,644,871 (Previous year - 2,566,538,936) Equity Shares of ₹2/- each fully paid-up	5,143,290	5,133,078

## Schedule 2 - Reserves and Surplus

	(₹ in Thousands)	
	As at 31-03-2019	As at 31-03-2018
<b>I. Statutory Reserve</b>		
Opening Balance	115,759,726	115,070,523
Additions during the year	11,691,521	689,203
	<b>127,451,247</b>	<b>115,759,726</b>
<b>II. Share Premium Account</b>		
Opening Balance	258,114,673	170,128,129
Additions during the year	1,706,853	88,122,658
Less: Share issue expenses	-	(136,114)
	<b>259,821,526</b>	<b>258,114,673</b>
<b>III. Investment Reserve Account</b>		
Opening Balance	1,034,894	-
Additions during the year	-	1,034,894
Deductions during the year	(1,034,894)	-
	<b>-</b>	<b>1,034,894</b>
<b>IV. General Reserve</b>		
Opening Balance	3,944,169	3,863,574
Additions during the year	96,508	80,595
	<b>4,040,677</b>	<b>3,944,169</b>
<b>V. Capital Reserve</b>		
Opening Balance	19,672,953	18,656,395
Additions during the year	1,251,323	1,016,558
	<b>20,924,276</b>	<b>19,672,953</b>
<b>VI. Foreign Currency Translation Reserve [Refer Schedule 17 (5.5)]</b>		
Opening Balance	1,520,651	1,563,747
Additions during the year	171,437	-
Deductions during the year	-	(43,096)
	<b>1,692,088</b>	<b>1,520,651</b>
<b>VII. Reserve Fund</b>		
Opening Balance	74,974	58,816
Additions during the year	6,280	16,158
	<b>81,254</b>	<b>74,974</b>
<b>VIII. Reserve Fund u/s 45 IC of RBI Act, 1934</b>		
Opening Balance	1,275,500	856,700
Additions during the year	421,100	418,800
	<b>1,696,600</b>	<b>1,275,500</b>
<b>IX. Investment Fluctuation Reserve</b>		
Opening Balance	-	-
Additions during the year	6,000,000	-
	<b>6,000,000</b>	<b>-</b>
<b>X. Balance in Profit &amp; Loss account brought forward</b>	267,228,037	235,543,472
Adjustments during the year*	(16,052,807)	-
Balance in Profit & Loss Account	<b>251,175,230</b>	<b>235,543,472</b>
<b>Total</b>	<b>672,882,898</b>	<b>636,941,012</b>

\* represents provision towards Land held as non-banking asset which will be reversed and recognised through profit and loss account in the subsequent quarters of the next financial year as advised by RBI.

**Schedule 2A - Minority Interest**

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>I. Minority Interest</b>		
Opening Balance	695,129	613,066
Increase during the year	151,018	82,063
<b>Closing Minority Interest</b>	<b>846,147</b>	<b>695,129</b>

**Schedule 3 - Deposits**

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>A. I. Demand Deposits</b>		
(i) From banks	47,199,015	58,788,628
(ii) From others	844,939,199	896,457,745
<b>II. Savings Bank Deposits</b>	<b>1,541,290,515</b>	<b>1,482,021,884</b>
<b>III. Term Deposits</b>		
(i) From banks	232,371,412	125,623,957
(ii) From others	2,841,659,210	1,993,685,428
<b>Total</b>	<b>5,507,459,351</b>	<b>4,556,577,642</b>
<b>B. I. Deposits of branches in India</b>	<b>5,462,410,325</b>	<b>4,509,338,193</b>
<b>II. Deposits of branches/subsidiaries outside India</b>	<b>45,049,026</b>	<b>47,239,449</b>
<b>Total</b>	<b>5,507,459,351</b>	<b>4,556,577,642</b>

**Schedule 4 - Borrowings**

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	144,000,000	61,000,000
(ii) Other banks <sup>#</sup>	27,139,984	25,850,612
(iii) Other institutions & agencies <sup>**</sup>	722,206,785	720,233,294
<b>II. Borrowings outside India</b>	<b>719,151,523</b>	<b>750,587,018</b>
<b>Total</b>	<b>1,612,498,292</b>	<b>1,557,670,924</b>
Secured borrowings included in I & II above	183,811,250	90,657,346

<sup>#</sup> Borrowings from other banks include Subordinated Debt of ₹35.60 crores (previous year ₹35.60 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹50.00 crores (previous year ₹50.00 crores) [Refer Note 18 (1.1.2)]

<sup>\*\*</sup> Borrowings from other institutions & agencies include Subordinated Debt of ₹19,969.40 crores (previous year ₹21,669.40 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹6,950.00crores (previous year ₹6,950.00 crores) [Refer Note 18 (1.1.2)]

## Schedule 5 - Other Liabilities and Provisions

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Bills payable	37,854,366	49,175,679
II. Inter-office adjustments (net)	-	-
III. Interest accrued	47,617,940	32,174,199
IV. Proposed dividend (includes tax on dividend) [Refer Schedule 18 (1.1.6)]	-	-
V. Contingent provision against standard assets [Refer Schedule 17 (4.2)]	30,800,051	22,482,485
VI. Others (including provisions)	225,357,341	176,183,523
<b>Total</b>	<b>341,629,698</b>	<b>280,015,886</b>

## Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Cash in hand (including foreign currency notes)	42,132,211	52,580,423
II. Balances with Reserve Bank of India:		
(i) in Current Account	263,858,192	208,230,225
(ii) in Other Accounts	45,000,000	94,000,000
<b>Total</b>	<b>350,990,403</b>	<b>354,810,648</b>

## Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	2,477,663	1,313,367
(b) in Other Deposit Accounts	34,498,933	33,925,743
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	191,610,699	-
<b>Total</b>	<b>228,587,295</b>	<b>35,239,110</b>
II. Outside India		
(i) in Current Accounts	47,630,852	24,898,340
(ii) in Other Deposit Accounts	5,177,257	8,409,416
(iii) Money at Call & Short Notice	47,657,275	15,750,617
<b>Total</b>	<b>100,465,384</b>	<b>49,058,373</b>
<b>Grand Total (I+II)</b>	<b>329,052,679</b>	<b>84,297,483</b>

## Schedule 8 - Investments

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>I. Investments in India in -</b>		
(i) Government Securities <sup>##</sup>	1,168,229,051	1,013,546,179
(ii) Other approved securities	-	-
(iii) Shares	9,595,084	15,255,309
(iv) Debentures and Bonds	393,845,209	306,537,689
(v) Investment in Joint Ventures	-	-
(vi) Others (Mutual Fund units, CD/CP, PTC etc.)	115,709,188	156,958,643
<b>Total Investments in India</b>	<b>1,687,378,532</b>	<b>1,492,297,820</b>
<b>II. Investments outside India in -</b>		
(i) Government Securities (including local authorities)	38,260,202	29,224,533
(ii) Subsidiaries and/or Joint Ventures abroad	-	-
(iii) Others (Equity Shares and Bonds)	14,919,812	8,844,767
<b>Total Investments outside India</b>	<b>53,180,014</b>	<b>38,069,300</b>
<b>Grand Total (I+II)</b>	<b>1,740,558,546</b>	<b>1,530,367,120</b>

<sup>##</sup> Includes securities costing ₹29,283.94 crores (previous year ₹27,588.43 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements.

## Schedule 9 - Advances

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>A.</b>		
(i) Bills purchased and discounted	155,366,967	128,131,247
(ii) Cash credits, overdrafts and loans repayable on demand	1,504,923,908	1,374,894,067
(iii) Term loans <sup>#</sup>	3,406,270,369	2,995,411,137
<b>Total</b>	<b>5,066,561,244</b>	<b>4,498,436,451</b>
<b>B.</b>		
(i) Secured by tangible assets <sup>\$</sup>	3,648,665,829	3,196,305,855
(ii) Covered by Bank/Government Guarantees <sup>&amp;&amp;</sup>	36,063,289	40,004,436
(iii) Unsecured	1,381,832,126	1,262,126,160
<b>Total</b>	<b>5,066,561,244</b>	<b>4,498,436,451</b>
<b>C.</b>		
<b>I. Advances in India</b>		
(i) Priority Sector	1,188,930,411	986,081,073
(ii) Public Sector	65,894,406	48,271,057
(iii) Banks	43,110,224	30,575,770
(iv) Others	3,345,917,806	2,851,146,051
<b>Total</b>	<b>4,643,852,847</b>	<b>3,916,073,951</b>
<b>II. Advances Outside India</b>		
(i) Due from banks	20,815,655	78,991,174
(ii) Due from others -		
(a) Bills purchased and discounted	23,843,213	32,721,313
(b) Syndicated loans	58,113,336	89,146,565
(c) Others	319,936,193	381,503,448
<b>Total</b>	<b>422,708,397</b>	<b>582,362,500</b>
<b>Grand Total [CI+CII]</b>	<b>5,066,561,244</b>	<b>4,498,436,451</b>

<sup>#</sup> Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹2,750.00 crores (previous year ₹1,399.00 crores), includes lending under IBPC ₹3,529.50 crores (previous year ₹1,303.32 crores)

<sup>\$</sup> Includes advances against book debts

<sup>&&</sup> Includes advances against L/Cs issued by banks

## Schedule 10 - Fixed Assets

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
<b>I. Premises</b>		
<b>Gross Block</b>		
At cost at the beginning of the year	18,331,432	18,331,432
Additions during the year*	169,308	-
Deductions during the year	(583,276)	-
<b>Total</b>	<b>17,917,464</b>	<b>18,331,432</b>
<b>Depreciation</b>		
As at the beginning of the year	1,470,051	1,165,371
Charge for the year	292,310	304,680
Deductions during the year	(121,930)	-
<b>Depreciation to date</b>	<b>1,640,431</b>	<b>1,470,051</b>
<b>Net Block</b>	<b>16,277,033</b>	<b>16,861,381</b>
<b>II. Other fixed assets (including furniture &amp; fixtures)</b>		
<b>Gross Block</b>		
At cost at the beginning of the year	53,911,389	47,067,750
Additions on acquisition	-	100,697
Additions during the year*	9,375,302	7,947,792
Deductions during the year	(942,674)	(1,204,850)
<b>Total</b>	<b>62,344,017</b>	<b>53,911,389</b>
<b>Depreciation</b>		
As at the beginning of the year	33,802,484	29,052,426
Additions on acquisition	-	54,155
Charge for the year	7,079,384	5,601,119
Deductions during the year	(682,060)	(905,216)
<b>Depreciation to date</b>	<b>40,199,808</b>	<b>33,802,484</b>
<b>Net Block</b>	<b>22,144,209</b>	<b>20,108,905</b>
<b>III. Capital Work-in-Progress (including capital advances)</b>	<b>2,877,581</b>	<b>3,517,918</b>
<b>Grand Total (I+II+III)</b>	<b>41,298,823</b>	<b>40,488,204</b>

\* Includes movement on account of exchange rate fluctuation

## Schedule 11 - Other Assets

(₹ in Thousands)

	As at 31-03-2019	As at 31-03-2018
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	71,428,760	56,936,207
III. Tax paid in advance/tax deducted at source (net of provisions)	17,095,247	18,590,140
IV. Stationery and stamps	3,057	3,829
V. Non banking assets acquired in satisfaction of claims <sup>&amp;</sup>	87,276	22,086,151
VI. Others <sup>#@</sup>	523,383,641	431,017,438
<b>Total</b>	<b>611,997,981</b>	<b>528,633,765</b>

# Includes deferred tax assets of ₹7,687.68 crores (previous year ₹6,911.32 crores) [Refer Schedule 18 (1.1.11)]

@ Includes Priority Sector Shortfall Deposits of ₹28,161.77 crores (previous year ₹21,479.30 crores)

\$ Includes goodwill on consolidation of ₹289.24 crores (previous year ₹293.01 crores)

& Represents balance net of provision of ₹2,208.61 crores on Land held as non-banking asset and provision of ₹2.09 crores on other non banking assets (Previous year Nil)

**Schedule 12 - Contingent Liabilities**

(₹ in Thousands)

	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
I. Claims against the Group not acknowledged as debts	6,275,310	5,219,729
II. Liability for partly paid investments	18,000	216,000
III. Liability on account of outstanding forward exchange and derivative contracts :		
a) Forward Contracts	3,296,537,608	3,148,018,991
b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	2,396,504,945	1,991,159,249
c) Foreign Currency Options	464,047,739	593,425,899
<b>Total (a+b+c)</b>	<b>6,157,090,292</b>	<b>5,732,604,139</b>
IV. Guarantees given on behalf of constituents		
In India	680,528,970	762,933,313
Outside India	75,480,355	86,944,398
V. Acceptances, endorsements and other obligations	324,474,560	324,145,235
VI. Other items for which the Group is contingently liable	338,422,264	479,334,859
<b>Grand Total (I+II+III+IV+V+VI) [Refer Schedule 18 (1.1.16)]</b>	<b>7,582,289,751</b>	<b>7,391,397,673</b>

# Schedules forming part of the Consolidated Profit and Loss account

For the year ended 31 March, 2019

## Schedule 13 - Interest Earned

	(₹ in Thousands)	
	Year ended 31-03-2019	Year ended 31-03-2018
I. Interest/discount on advances/bills	423,225,782	349,097,316
II. Income on investments	113,756,581	100,199,824
III. Interest on balances with Reserve Bank of India and other inter-bank funds	6,990,108	3,910,598
IV. Others	16,464,052	12,932,854
<b>Total</b>	<b>560,436,523</b>	<b>466,140,592</b>

## Schedule 14 - Other Income

	(₹ in Thousands)	
	Year ended 31-03-2019	Year ended 31-03-2018
I. Commission, exchange and brokerage	99,581,861	87,962,084
II. Profit/(Loss) on sale of investments (net)	7,928,093	13,648,999
III. Profit/(Loss) on sale of land, buildings and other assets (net)*	(247,690)	(167,089)
IV. Profit on exchange/derivative transactions (net)	15,150,700	14,636,525
V. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	-	-
VI. Miscellaneous Income [including recoveries on account of advances/investments written off in earlier years ₹1,902.24 crores (previous year ₹182.92 crores) and profit on account of portfolio sell downs/securitisation ₹7.96 crores (previous year net profit of ₹20.50 crores)]	19,474,574	2,545,635
<b>Total</b>	<b>141,887,538</b>	<b>118,626,154</b>

\* includes provision for diminution in value of fixed assets

## Schedule 15 - Interest Expended

	(₹ in Thousands)	
	Year ended 31-03-2019	Year ended 31-03-2018
I. Interest on deposits	237,400,132	191,943,949
II. Interest on Reserve Bank of India/Inter-bank borrowings	30,217,595	18,600,259
III. Others	71,217,019	65,492,719
<b>Total</b>	<b>338,834,746</b>	<b>276,036,927</b>

## Schedule 16 - Operating Expenses

	(₹ in Thousands)	
	Year ended 31-03-2019	Year ended 31-03-2018
I. Payments to and provisions for employees	59,898,715	54,144,397
II. Rent, taxes and lighting	10,875,319	10,342,353
III. Printing and stationery	1,988,746	1,694,433
IV. Advertisement and publicity	1,629,794	1,663,688
V. Depreciation on Group's property	7,371,694	5,905,799
VI. Directors' fees, allowance and expenses	42,943	35,374
VII. Auditors' fees and expenses	29,896	30,140
VIII. Law charges	1,180,869	988,151
IX. Postage, telegrams, telephones etc.	3,121,993	3,286,013
X. Repairs and maintenance	10,932,230	8,780,643
XI. Insurance	6,011,683	5,544,398
XII. Other expenditure	64,117,990	55,468,255
<b>Total</b>	<b>167,201,872</b>	<b>147,883,644</b>



# 17 Significant Accounting Policies

For the year ended 31 March, 2019

## 1 Principles of Consolidation

The consolidated financial statements comprise the financial statements of Axis Bank Limited ('the Bank') and its subsidiaries, which together constitute 'the Group'. The Bank has overseas branches at Singapore, Hong Kong, DIFC - Dubai, Shanghai and Colombo and an Offshore Banking Unit at International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank consolidates its subsidiaries in accordance with AS 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure. All significant inter-company accounts and transactions are eliminated on consolidation.

## 2 Basis of preparation

- a) The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications and guidelines issued by RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India.
- b) The consolidated financial statements present the accounts of Axis Bank Ltd. with its following subsidiaries:

Name	Relation	Country of Incorporation	Ownership Interest
Axis Capital Ltd.	Subsidiary	India	100.00%
Axis Private Equity Ltd.	Subsidiary	India	100.00%
Axis Trustee Services Ltd.	Subsidiary	India	100.00%
Axis Mutual Fund Trustee Ltd.	Subsidiary	India	75.00%
Axis Asset Management Company Ltd.	Subsidiary	India	75.00%
Axis Finance Ltd.	Subsidiary	India	100.00%
Axis Securities Ltd.	Subsidiary	India	100.00%
Freecharge Payment Technologies Pvt. Ltd.	Subsidiary	India	100.00%
Accelyst Solutions Pvt. Ltd.	Subsidiary	India	100.00%
A.Treds Ltd.	Subsidiary	India	67.00%
Axis Bank UK Ltd.	Subsidiary	U.K.	100.00%
Axis Capital USA LLC	Step down subsidiary	USA	100.00%

- c) The financial statements of certain subsidiaries have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS') with effect from 1 April, 2018. The financial statements of such subsidiaries used for consolidation of the consolidated financial statements are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under section 133 of the companies act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the companies (Accounting Standards) Amendment Rules, 2016.

- d) The audited financial statements of the above subsidiaries and the unaudited financial statements of the step down subsidiary have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2019.
- e) Axis Private Equity Ltd., is in the process of amalgamation with Axis Finance Ltd. and has submitted application for amalgamation before the National Company Law Tribunal on 13 October, 2017. The approval for the same is awaited from the adjudicating authority.
- f) On 27 March, 2018, the Board of Directors of Accelyst Solutions Pvt. Ltd ('ASPL') and Freecharge Payment Technologies Pvt. Ltd. ('FCPTL') approved a scheme for amalgamation of ASPL into and with FCPTL. ASPL and FCPTL have filed final petition for approval of merger before the National Company Law Tribunal ('NCLT'). The appointed date for amalgamation is 7 October, 2017 and the effect of merger will be given on this date or any other date as may be prescribed by the NCLT.

### 3 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

### 4 Change in accounting policies/estimates

#### 4.1 Change in estimated useful life of fixed assets

During the year, the Bank has revised the estimated useful life of Electronic Data Capturing machines/Point of Sale terminals from 10 years to 5 years. As a result of the aforesaid revision, the depreciation charge for the year is higher by ₹29.34 crores with a corresponding decrease in the net block of fixed assets.

#### 4.2 Provision on standard advances

With effect from 31 March 2019, in the case of provision on standard advances the Bank adopted a more stringent policy of maintaining provision on corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC, at rates that are higher than those prescribed by RBI. As a result, provisions and contingencies for the year are higher by ₹378 crores with a consequent reduction to the profit before tax.

### 5 Significant accounting policies

#### 5.1 Investments

**Axis Bank Ltd.**

*Classification*

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

However, for disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other approved securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others.

Investments made outside India are classified under three categories – Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

#### *Transfer of security between categories*

Transfer of security between categories of investments is accounted as per the RBI guidelines.

#### *Acquisition cost*

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

#### *Valuation*

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. In terms of RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/ Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per RBI guidelines.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:

- the market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities included in the AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL;
- in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the YTM for Government Securities as published by FIMMDA/PDAI/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose;
- in case of bonds and debentures (including Pass Through Certificates) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;

- equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company;
- units of Venture Capital Funds ('VCF') held under AFS category where current quotations are not available are value based on the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF after 23 August, 2006 are categorised under HTM category for the initial period of three years and valued at cost as per RBI guidelines; and
- in case investments in security receipts on or after 1 April, 2017 which are backed by more than 50 percent of the stressed assets sold by the Bank, provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/Securitisation Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank. All other investments in security receipts are valued as per the NAV obtained from the issuing RC/SCs.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

#### *Disposal of investments*

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

#### *Repurchase and reverse repurchase transactions*

Repurchase and reverse repurchase transactions in government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted as collateralised borrowing and lending respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

#### *Short Sales*

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

#### **Subsidiaries**

Investments are initially recognised at cost which comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account.

Long term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

## 5.2 Advances

### Axis Bank Ltd.

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loan classified as NPAs, provisions in lieu of diminution in the fair value of restructured assets and floating provisions.

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception for agriculture advances and schematic retail advances. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI. Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are classified as NPAs based on host country guidelines, are made as per the host country regulations. In case of NPAs referred to National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code (IBC) where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time.

Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines.

Amounts recovered against debts written off are recognised in the Profit and Loss account and included under "Other Income".

The Bank holds provision in accordance with the RBI guidelines, on assets where change in ownership under Strategic Debt Restructuring (SDR) scheme/Outside SDR scheme has been implemented before 12 February, 2018 or Scheme for Sustainable Structuring of Stressed Asset (S4A) has been implemented before 12 February, 2018.

In respect of borrowers classified as non-cooperative and willful defaulters, the Bank makes accelerated provisions as per extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided immediately without considering the value of security.

For entities with Unhedged Foreign Currency Exposure (UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI other than for corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC where general provision is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or RBI. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivatives at the rates prescribed by RBI.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of Equated Monthly Installments ('EMIs') of a specific period subject to fulfilment of a set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of waivers to eligible borrowers in respect of such loans based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – Other Liabilities in the balance sheet.

#### **Axis Finance Ltd.**

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made at rates as prescribed by the RBI.

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

### **5.3 Country risk**

#### **Axis Bank Ltd.**

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

### **5.4 Securitisation**

#### **Axis Bank Ltd.**

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass through Certificate ('PTC') holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

In accordance with RBI guidelines of 7 May, 2012 on 'Guidelines on Securitisation of Standard Assets', gain on securitisation transaction is recognised over the period of the underlying securities issued by the SPV. Loss on securitisation is immediately debited to the Profit and Loss Account.

### **5.5 Foreign currency transactions**

#### **Group**

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the Balance Sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign operations classified as non-integral foreign operations as per the RBI guidelines are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on PV basis by discounting the forward value till spot date and converting the FCY amount using the respective spot rates as notified by FEDAI. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

## 5.6 Derivative transactions

### Axis Bank Ltd.

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market (MTM)) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. Pursuant to the RBI guidelines any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in separate Suspense Account.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contract or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant marked-to-market profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options (ETCO) is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

## 5.7 Revenue recognition

### Axis Bank Ltd.

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the RBI guidelines except in the case of interest income on non-performing assets and loans under Strategic Debt Restructuring (SDR) scheme and Scheme for Sustainable Structuring of Stressed Asset (S4A) of RBI, where it is recognised on receipt basis if overdue for more than 90 days. Income on non-coupon bearing or low-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant yield basis.

Guarantee commission is recognised on a pro-rata basis over the period of the guarantee. Locker rent and annual fees for credit cards are recognised on a straight-line basis over the period of contract. Arrangership/syndication fee is accounted for on completion of the agreed service and when right to receive is established. Other fees and commission income are recognised when due.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid/received for Priority Sector Lending Certificates ('PSLC') is amortised on straight-line basis over the tenor of the certificate.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion business on a consignment basis. The difference between the price recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on an accrual basis.

#### **Subsidiaries**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Fee income is recognised on the basis of accrual when all the services are performed.

Interest income is recognised on an accrual basis.

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

#### **Axis Capital Ltd.**

Brokerage income in relation to stock broking activity is recognised as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis. Gains/losses on dealing in securities are recognised on a trade date basis.

Revenue from issue management, loan syndication, financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds, etc. are recorded on determination of the amount due to the Company, once the allotment of securities are completed.

#### **Axis Trustee Services Ltd.**

Annual Fees for trusteeship services and servicing fees are recognised, on a straight line basis, over the period when services are performed. Initial acceptance fee is recognised as and when the 'Offer Letter' for the services to be rendered is accepted by the customer.

Realised gains and losses on mutual funds are dealt with in the statement of profit and loss. The cost of units in mutual fund sold are determined on weighted average basis for the purpose of calculating gains or losses on sale/redemption of such units.



**Axis Asset Management Company Ltd.**

Management fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from Portfolio Management Services, Alternate Investment Fund and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

**Axis Mutual Fund Trustee Ltd.**

Trustee fee is recognised on accrual basis, at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Deed of Trust, and is applied on the net assets of each scheme of Axis Mutual Fund.

**Axis Finance Ltd.**

Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

Income on discounted instruments is recognised over the tenure of the instrument on a straight-line method.

**Axis Securities Ltd.**

Business sourcing and resource management fee is recognised on accrual basis when all the services are performed.

Income from subscription plan to the extent of account opening fees is recognised upfront and balance is amortised over the validity of plan.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc. are recorded on determination of the amount due to the company, once the allotment of securities are completed.

Brokerage income on securities is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date. Gains/losses on dealing in securities are recognised on trade date basis.

Depository fees are recognised on completion of the transaction.

Portfolio management fees are accounted on accrual basis as follows:

In case of fees based on fixed percentage of the corpus/fixed amount, income is accrued at the end of the quarter/month.

In case of fees, based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

**A.Treds Ltd.**

Onboarding Fee is one time fee and is recognized at the time of onboarding of Buyer, Seller or financier. Transaction fee is recurring in nature and is recognised upfront on the date of the transaction. The company follows recognition of annual fee on time proportion basis over the tenure of one year.

**Freecharge Payment Technologies Private Ltd.*****Revenue from commission income***

Merchant check out fee from wallet transaction is recognised on the basis of successful pay-out of wallet usage to the respective merchants. The transactions are settled on a daily basis with the merchant, net of MDR revenue. The taxes (GST) collected on behalf of the government and, therefore, these are not economic benefits flowing to the Company, hence, excluded from revenue.

#### *Revenue from payment and storage service*

The revenue from payment and storage service is recognised for providing PG aggregation service and as a payments platform for transactions of the merchant executed through payment gateway. The Company collects revenue on the basis of the payment gateway transactions routed through its payment platform on a monthly basis.

#### *Other operating revenue*

Revenues from ancillary activities like convenience fee, commission income etc, are recognised upon rendering of services.

#### *Accelyst Solutions Private Ltd.*

##### *Revenue from commission income*

Revenues from operating an internet portal providing recharge and bill payment services is recognised upon successful recharge / payment confirmation for the transactions executed. The taxes collected by company on behalf of the government are not economic benefits flowing to the Company, hence, they are excluded from revenue.

##### *Miscellaneous revenue*

Revenues from ancillary activities e.g. freefund code generation fees, convenience fee, sale of coupons and vendor's application installation etc. is recognised upon rendering of services. Upon expiry of validity of freefund codes sold by company, income is recognised to the extent of value of such codes.

##### *Unbilled revenue*

Receivable are generally carried at the original invoiced amount, less an allowance for doubtful receivables where there is objective evidence that balances will not be recovered in full. Unbilled receivables is recognized to the extent for the services not billed at the reporting date.

## **5.8 Scheme expenses**

#### *Axis Asset Management Company Ltd.*

##### *Fund Expenses*

Expenses of schemes of Axis Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 and expenses incurred directly (inclusive of advertisement/brokerage expenses) on behalf of schemes of Axis Mutual Fund are charged to the Profit and Loss Account.

##### *New fund offer expenses*

Expenses relating to new fund offer of Axis Mutual Fund are charged to the Profit and Loss Account in the year in which they are incurred.

##### *Brokerage*

Clawbackable brokerages paid by the Company in advance is charged to the statement of Profit and Loss account over the claw-back period/tenure of the respective scheme. The unamortized portion of the clawbackable brokerage is carried forward as prepaid expense.

Upfront brokerage on closed ended and fixed tenure schemes is amortized over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortized over 3 years. The unamortized portion of the brokerage is carried forward as prepaid expense. Any other brokerage is expensed out in the year in which they are incurred.

Brokerage paid on certain PMS products are amortised over the exit load period. Unamortised portion of brokerage is carried forward as prepaid expenses.

Brokerage paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the brokerage is carried forward as prepaid expense.

## 5.9 Fixed assets and depreciation/impairment

### Group

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on the straight-line method from the date of addition. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on historical experience of the Group, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013.

Asset	Estimated useful life
Leased Land	As per the term of the agreement
Owned premises	60 years
Locker cabinets/cash safe/strong room door	10 years
EPABX, telephone instruments	8 years
Modem, scanner, routers, hubs, switches, racks/cabinets for IT equipment	5 years
UPS, VSAT, fax machines	5 years
Cheque book/cheque encoder, currency counting machine, fake note detector	5 years
Application software	5 years
Electronic Data Capture (EDC)/ Point of Sale (POS) machines	5 years
Vehicles	4 years
Computer hardware including printers	3 years
CCTV and video conferencing equipment	3 years
Assets at staff residence	3 years
Mobile phone	2 years
All other fixed assets	10 years

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Profit and Loss Account till the date of sale.

In case of Bank, Profit on sale of premises is appropriated to Capital Reserve account (net of taxes and transfer to statutory reserve) in accordance with RBI instructions.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 5.10 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land and other immovable property. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions. Other non-banking assets are carried at lower of net book value and net realizable value.

## 5.11 Lease transactions

### Group

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Lease income from assets given on operating lease is recognized as income in Profit and Loss Account on a straight line basis over the lease term.

## 5.12 Retirement and other employee benefits

### Provident Fund

#### Axis Bank Ltd.

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

#### Subsidiaries

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

### Gratuity

#### Axis Bank Ltd.

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although various insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. Liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year. In respect of employees at overseas branches (other than expatriates) liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

#### Subsidiaries

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using Projected Unit Credit Method made at the end of each financial year. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

### Compensated Absences

#### Axis Bank Ltd.

Compensated absences are short term in nature for which provision is held on accrual basis.

#### Axis Asset Management company Ltd.

The company does not have policy to carry forward and accumulation of privilege leave balances.

#### Subsidiaries other than Axis Asset Management company Ltd.

The Group provides for compensated absences based on actuarial valuation conducted by an independent actuary. The actuarial valuation is carried out as per the Projected Unit Credit Method as at 31 March each year. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

### Superannuation

#### Axis Bank Ltd.

Employees of the Bank are entitled to receive retirement benefits under the Bank's Superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan the Bank contributes annually a specified sum of 10% of the employee's eligible annual basic salary to LIC, which undertakes to pay the lumpsum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

### New Pension Scheme ('NPS')

#### Group

In respect of employees who opt for contribution to the 'NPS', the Group contributes certain percentage of the total basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

### Long term deferred variable pay structure

#### Axis Capital Ltd.

As part of its variable pay structure, the company operates long term deferred variable pay structure plan in which it defers a part of the entitlement which is to be settled in installments over a period of three years at an amount which would be equivalent to the prevailing price of equity share of Bank at the time of settlement. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at the year-end using projected unit credit method.

## 5.13 Long Term Incentive Plan (LTIP)

#### Axis Asset Management Company Ltd.

The Company has initiated Axis AMC - Long Term Incentive plan. The points granted to employees as per the guidelines laid down in the plan are encashable after they are held for a specified period as per the terms of the plan. The Company accounts for the liability arising on points granted proportionately over the period from the date of grant till the end of the exercise window. The liability is assessed and provided on the basis of valuation carried out by an independent valuer.

## 5.14 Reward points

#### Axis Bank Ltd.

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing an independent actuary. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

## 5.15 Taxation

#### Group

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of Income tax Act, 1961. In case of overseas subsidiary the local tax laws prevailing in that country are followed. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

#### **5.16 Share issue expenses**

##### **Group**

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

#### **5.17 Earnings per share**

##### **Group**

The group reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

#### **5.18 Employee stock option scheme**

##### **Axis Bank Ltd.**

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have been repealed in the month of October, 2014 and were substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme is in compliance with the said regulations. The Bank follows the intrinsic value method to account for its stock based employee compensation plans as per the Guidelines. Options are granted at an exercise price, which is equal to/ less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date, if any, is recognised as a deferred compensation cost and amortised on a straight-line basis over the vesting period of such options.

The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

#### **5.19 Provisions, contingent liabilities and contingent assets**

##### **Group**

A provision is recognised when the Group has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## 5.20 Accounting for dividend

### Group

As per AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, the group does not account for proposed dividend (including tax) as a liability through appropriation from the profit and loss account. The same is recognised in the year of actual payout post approval of shareholders. However, the Bank reckons proposed dividend in determining capital funds in computing the capital adequacy ratio.

## 5.21 Cash and cash equivalents

### Group

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

# 18 Notes forming part of the consolidated financial statements

For the year ended 31 March, 2019

## 1.1 Disclosures

1.1.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

(₹ in crores)

For the year ended	31 March, 2019	31 March, 2018
Provision for income tax		
- Current tax	3,271.12	1,951.55
- Deferred tax (Refer 1.1.11)	(726.16)	(1,849.69)
	<b>2,544.96</b>	<b>101.86</b>
Provision for non-performing assets (including bad debts written off and write backs)	10,272.11	16,630.57
Provision for restructured assets/strategic debt restructuring/ sustainable structuring	(19.66)	(307.16)
Provision towards standard assets	814.31	(124.37)
Provision for depreciation in value of investments	296.54	(207.67)
Provision for unhedged foreign currency exposure	18.79	(9.30)
Provision for country risk	-	(19.94)
Provision for other contingencies*	654.60	(443.39)
<b>Total</b>	<b>14,581.65</b>	<b>15,620.60</b>

\* includes provision for non-banking assets, legal cases and other contingencies

1.1.2 During the year ended 31 March, 2019, the Bank has not raised debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March, 2018, the Bank raised debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	15 June, 2027	120 months	7.66% p.a.	₹5,000 crores
Perpetual debt	Additional Tier I	-*	-	8.75% p.a.	₹3,500 crores

\*Call option on expiry of 60 months from the date of allotment

During the year ended 31 March, 2019, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier II	7 November, 2018	120 months	11.75% p.a.	₹1,500 crores
Subordinated debt	Tier II	28 March, 2019	120 months	9.95%p.a.	₹200 crores



During the year ended 31 March, 2018, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Upper Tier-II	Tier-II	28 June, 2017*	180 months	7.125% p.a.	\$60 million

\* represents call date

### 1.1.3 Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated 01 April, 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2018.

### 1.1.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

As at	31 March, 2019	31 March, 2018
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	5,038.59	455.82
Basic weighted average no. of shares (in crores)	256.90	244.51
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	1.58	0.75
Diluted weighted average no. of shares (in crores)	258.48	245.26
Basic EPS (₹)	19.61	1.86
Diluted EPS (₹)	19.49	1.86
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 9,813,655 stock options and 6,033,509 warrants (previous year 7,517,504 stock options)

### 1.1.5 Employee Stock Options Scheme ('the Scheme')

Pursuant to the approval of the shareholders in February 2001, the Bank approved an Employee Stock Option Scheme under which eligible employees are granted an option to purchase shares subject to vesting conditions. Over the period till December 2018, pursuant to the approval of the shareholders the Bank approved ESOP schemes for options aggregating 265,087,000 that vest in a graded manner over 3 years. The options can be exercised within three/five years from the date of the vesting as the case may be. Within the overall ceiling of 265,087,000 stock options approved for grant by the shareholders as stated earlier, the Bank is also authorised to issue options to eligible employees and Whole Time Directors of the subsidiary companies.

253,158,700 options have been granted under the Scheme till the previous year ended 31 March, 2018.

On 25 April, 2018, the Bank granted 5,825,000 stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹504.85 per option. Further, on 7 January, 2019, the Bank granted 630,000 stock options (each option representing entitlement to one equity share of the Bank) to its MD & CEO at a grant price of ₹619.60 per option.

Stock option activity under the Scheme for the year ended 31 March, 2019 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	29,554,909	217.33 to 535.00	432.45	4.22
Granted during the year	6,455,000	504.85 to 619.60	516.05	-
Forfeited during the year	(748,700)	306.54 to 535.00	500.67	-
Expired during the year	(22,400)	288.96	288.96	-
Exercised during the year	(5,105,935)	217.33 to 535.00	336.29	-
<b>Outstanding at the end of the year</b>	<b>30,132,874</b>	<b>288.96 to 619.60</b>	<b>465.06</b>	<b>4.13</b>
<b>Exercisable at the end of the year</b>	<b>17,138,224</b>	<b>288.96 to 535.00</b>	<b>436.22</b>	<b>2.87</b>

The weighted average share price in respect of options exercised during the year was ₹623.15.

Stock option activity under the Scheme for the year ended 31 March, 2018 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	29,711,124	217.33 to 535.00	383.16	3.98
Granted during the year	6,885,750	503.00	503.00	-
Forfeited during the year	(810,120)	306.54 to 535.00	470.15	-
Expired during the year	(57,910)	217.33 to 289.51	275.32	-
Exercised during the year	(6,173,935)	217.33 to 535.00	270.47	-
<b>Outstanding at the end of the year</b>	<b>29,554,909</b>	<b>217.33 to 535.00</b>	<b>432.45</b>	<b>4.22</b>
<b>Exercisable at the end of the year</b>	<b>16,062,159</b>	<b>217.33 to 535.00</b>	<b>378.40</b>	<b>2.85</b>

The weighted average share price in respect of options exercised during the year was ₹524.51.

#### *Fair Value Methodology*

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be as follows:

	31 March, 2019	31 March, 2018
<b>Net Profit (as reported)</b> (₹ in crores)	5,038.59	455.82
Add: Stock based employee compensation expense included in net income (₹ in crores)	-	-
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	(95.04)	(102.86)
<b>Net Profit (Proforma)</b> (₹ in crores)	<b>4,943.55</b>	<b>352.96</b>
<b>Earnings per share: Basic (in ₹)</b>		
As reported	19.61	1.86
Proforma	19.24	1.44
<b>Earnings per share: Diluted (in ₹)</b>		
As reported	19.49	1.86
Proforma	19.18	1.44

During the years ended, 31 March, 2019 and 31 March, 2018, no cost has been incurred by the Bank on ESOPs issued to the employees of the Bank and employees of subsidiaries under the intrinsic value method.

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2019	31 March, 2018
Dividend yield	0.76%	1.16%
Expected life	2.57-4.57 years	2.57-4.57 years
Risk free interest rate	7.07% to 7.63%	6.55% to 6.82%
Volatility	28.78% to 30.82%	31.80% to 33.56%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2019 is ₹164.10 (previous year ₹155.53).

On 27 March, 2019, the Nomination and Remuneration Committee of the Board of Directors of the Bank has approved the grant of upto 10,500,000 stock options to eligible employees. As on 31 March, 2019, there have been no allotments of options under this grant. Accordingly, these options have not been considered in the above disclosure and for disclosure of proforma net profit and EPS under fair value method for FY 2018-19.

#### 1.1.6 Proposed Dividend

The Board of Directors, in their meeting held on 25 April, 2019 have proposed a final dividend of ₹1 per equity share amounting to ₹283.08 crore, inclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the Annual General Meeting.

#### 1.1.7 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified and based on RBI's revised guidelines on Segment Reporting issued on 18 April 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, money received against share warrants, tax paid in advance net of provision etc.

Business segments in respect of operations of the subsidiaries have been identified and reported taking into account the customer profile, the nature of product and services and the organisation structure.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment and fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Segmental results are set out below:

(₹ in crores)

	31 March, 2019				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
<b>Segment Revenue</b>					
Gross interest income (external customers)	13,874.76	18,442.28	23,726.61	-	56,043.65
Other income	2,254.14	4,686.91	5,447.93	1,799.77	14,188.75
<b>Total income as per Profit and Loss Account</b>	<b>16,128.90</b>	<b>23,129.19</b>	<b>29,174.54</b>	<b>1,799.77</b>	<b>70,232.40</b>
Add/(less) inter segment interest income	57,991.83	6,175.11	20,249.77	0.01	84,416.72
<b>Total segment revenue</b>	<b>74,120.73</b>	<b>29,304.30</b>	<b>49,424.31</b>	<b>1,799.78</b>	<b>154,649.12</b>
Less: Interest expense (external customers)	16,956.96	1,661.64	15,264.87	-	33,883.47
Less: Inter segment interest expense	54,359.22	13,520.57	16,536.06	0.87	84,416.72
Less: Operating expenses	425.22	4,048.91	11,459.17	786.89	16,720.19
<b>Operating profit</b>	<b>2,379.33</b>	<b>10,073.18</b>	<b>6,164.21</b>	<b>1,012.02</b>	<b>19,628.74</b>
Less: Provision for non-performing assets/others*	686.64	9,081.46	2,248.59	20.00	12,036.69
<b>Segment result</b>	<b>1,692.69</b>	<b>991.72</b>	<b>3,915.62</b>	<b>992.02</b>	<b>7,592.05</b>
Less: Provision for tax					2,544.96

	31 March, 2019				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
<b>Net Profit before minority interest and earnings from Associate</b>					5,047.09
Less: Minority Interest					8.50
Add: Share of Profit in Associate					-
Extraordinary profit/loss					-
<b>Net Profit</b>					<b>5,038.59</b>
Segment assets	283,240.38	251,253.06	269,476.17	535.04	804,504.65
Unallocated assets					9,541.32
<b>Total assets</b>					<b>814,045.97</b>
Segment liabilities	276,546.85	135,914.54	332,680.34	154.52	745,296.25
Unallocated liabilities <sup>(1)</sup>					947.10
<b>Total liabilities</b>					<b>746,243.35</b>
<b>Net assets</b>	<b>6,693.53</b>	<b>115,338.52</b>	<b>(63,204.17)</b>	<b>380.52</b>	<b>67,802.62</b>
<b>Capital Expenditure for the year</b>	<b>15.63</b>	<b>205.48</b>	<b>695.24</b>	<b>26.33</b>	<b>942.68</b>
<b>Depreciation on fixed assets for the year</b>	<b>12.48</b>	<b>161.62</b>	<b>545.56</b>	<b>17.50</b>	<b>737.16</b>

<sup>(1)</sup> Includes minority interest of ₹84.61 crores

\* represents material non-cash items other than depreciation

(₹ in crores)

	31 March, 2018				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
<b>Segment Revenue</b>					
Gross interest income (external customers)	11,858.83	15,398.90	19,356.33	-	46,614.06
Other income	2,867.70	3,365.49	4,196.21	1,433.22	11,862.62
<b>Total income as per Profit and Loss Account</b>	<b>14,726.53</b>	<b>18,764.39</b>	<b>23,552.54</b>	<b>1,433.22</b>	<b>58,476.68</b>
Add/(less) inter segment interest income	49,386.08	5,402.38	17,298.22	-	72,086.68
<b>Total segment revenue</b>	<b>64,112.61</b>	<b>24,166.77</b>	<b>40,850.76</b>	<b>1,433.22</b>	<b>130,563.36</b>
Less: Interest expense (external customers)	13,375.62	1,155.22	13,072.85	-	27,603.69
Less: Inter segment interest expense	45,761.40	12,352.62	13,972.08	0.58	72,086.68
Less: Operating expenses	393.83	4,004.78	9,941.65	448.10	14,788.36
<b>Operating profit</b>	<b>4,581.76</b>	<b>6,654.15</b>	<b>3,864.18</b>	<b>984.54</b>	<b>16,084.63</b>
Less: Provision for non-performing assets/others*	1,763.26	11,894.90	1,860.58	-	15,518.74
<b>Segment result</b>	<b>2,818.50</b>	<b>(5,240.75)</b>	<b>2,003.60</b>	<b>984.54</b>	<b>565.89</b>
Less: Provision for tax					101.86
<b>Net Profit before minority interest and earnings from Associate</b>					464.03
Less: Minority Interest					8.21
Add: Share of Profit in Associate					-
Extraordinary profit/loss					-
<b>Net Profit</b>					<b>455.82</b>
Segment assets	227,258.49	236,010.17	230,592.20	813.36	694,674.22
Unallocated assets					9,029.15
<b>Total assets</b>					<b>703,703.37</b>

	31 March, 2018				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
Segment liabilities	234,071.37	138,435.00	265,852.74	195.25	638,554.36
Unallocated liabilities <sup>(1)</sup>					941.60
<b>Total liabilities</b>					<b>639,495.96</b>
<b>Net assets</b>	<b>(6,812.88)</b>	<b>97,575.17</b>	<b>(35,260.54)</b>	<b>618.11</b>	<b>64,207.41</b>
<b>Capital Expenditure for the year</b>	<b>16.70</b>	<b>235.20</b>	<b>523.89</b>	<b>18.99</b>	<b>794.78</b>
<b>Depreciation on fixed assets for the year</b>	<b>11.90</b>	<b>173.05</b>	<b>389.98</b>	<b>15.65</b>	<b>590.58</b>

<sup>(1)</sup> Includes minority interest of ₹69.51 crores

\* represents material non-cash items other than depreciation

#### Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Revenue	66,514.42	55,799.56	3,717.98	2,677.12	70,232.40	58,476.68
Assets	760,394.09	635,920.35	53,651.87	67,783.02	814,045.96	703,703.37
Capital Expenditure for the year	939.95	785.35	2.73	9.43	942.68	794.78
Depreciation on fixed assets for the year	733.00	585.77	4.16	4.81	737.16	590.58

#### 1.1.8 Related party disclosure

The related parties of the Group are broadly classified as:

##### a) Promoters

The Bank has identified the following entities as its Promoters.

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)
- Life Insurance Corporation of India (LIC)
- General Insurance Corporation, New India Assurance Co. Limited, National Insurance Co. Limited, United India Insurance Co. Limited and The Oriental Insurance Co. Limited.

##### b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO) (w.e.f. 1 January, 2019)
- Ms. Shikha Sharma (MD & CEO) (upto 31 December, 2018)
- Mr. V. Srinivasan (Deputy Managing Director) (upto 20 December, 2018)
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)]
- Mr. Rajiv Anand [Executive Director (Wholesale Banking)]

c) **Relatives of Key Management Personnel**

Mr. Sanjaya Sharma, Ms. Usha Bharadwaj, Mr. Tilak Sharma, Ms. Tvisha Sharma, Dr. Sanjiv Bharadwaj, Dr. Prashant Bharadwaj, Dr. Brevis Bharadwaj, Dr. Reena Bharadwaj, Ms. Gayathri Srinivasan, Mr. V. Satish, Ms. Camy Satish, Ms. Ananya Srinivasan, Ms. Anagha Srinivasan, Ms. Geetha N., Ms. Chitra R., Ms. Sumathi N., Mr. S. Ranganathan, Mr. R. Narayan, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Ms. Mallika Dahiya, Ms. Jal Medha, Ms. Pooja Rathi, Mr. Jai Prakash Dahiya, Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry.

The details of transactions of the Group with its related parties during the year ended 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel <sup>#</sup>	Total
Dividend paid	-	-	-	-
Interest paid	554.78	0.41	0.12	555.31
Interest received	0.13	1.09	-	1.22
Investment in non-equity instrument of related party	341.26	-	-	341.26
Investment of related party in the Bank	-	17.93	-	17.93
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-	-
Redemption of Hybrid capital/Bonds of the Bank	1,510.00	-	-	1,510.00
Purchase of investments	205.00	-	-	205.00
Sale of investments	857.07	-	-	857.07
Remuneration paid	-	18.49	-	18.49
Contribution to employee benefit fund	17.00	-	-	17.00
Repayment of security deposits by related party	0.12	-	-	0.12
Non-funded commitments (issued)	-	-	-	-
Advance granted (net)	-	-	-	-
Advance repaid	0.45	7.38	-	7.83
Receiving of services	128.91	-	-	128.91
Rendering of services	28.04	0.10	-	28.14
Sale of foreign exchange currency to related party	-	1.35	0.01	1.36
Other reimbursements from related party	0.10	-	-	0.10
Other reimbursements to related party	0.66	-	-	0.66

<sup>#</sup> Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

The balances payable to/receivable from the related parties of the Group as on 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	9,146.04	13.91	0.55	<b>9,160.50</b>
Placement of security deposits	0.31	-	-	<b>0.31</b>
Advances	6.62	10.90	0.03	<b>17.55</b>
Investment in non-equity instruments of related party	290.05	-	-	<b>290.05</b>
Investment of related party in the Bank	93.60	0.08	-	<b>93.68</b>
Non-funded commitments	3.33	-	-	<b>3.33</b>
Investment of related party in Hybrid capital/ Bonds of the Bank	2,790.00	-	-	<b>2,790.00</b>
Payable under management contracts	-	-	-	-
Other receivables (net)	-	-	-	-
Other payables (net)	-	-	-	-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	17,078.36	22.86	5.49	<b>17,106.72</b>
Placement of security deposits	0.43	-	-	<b>0.43</b>
Advances	154.79	19.66	0.17	<b>174.62</b>
Investment of related party in the Bank	135.32	0.52	-	<b>135.84</b>
Investment in non-equity instrument of related party	290.05	-	-	<b>290.05</b>
Non-funded commitments	3.35	-	-	<b>3.35</b>
Investment of related party in Hybrid capital/Bonds of the Bank	4,300.00	-	-	<b>4,300.00</b>
Payable under management contracts	-	3.70	-	<b>3.70</b>
Other receivables (net)	0.03	-	-	<b>0.03</b>
Other payables (net)	-	-	-	-

The details of transactions of the Group with its related parties during the year ended 31 March, 2018 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Total
Dividend paid	343.52	1.08	-	<b>344.60</b>
Interest paid	545.58	0.22	0.19	<b>545.99</b>
Interest received	0.02	0.77	-	<b>0.79</b>
Investment in non-equity instrument of related party	393.00	-	-	<b>393.00</b>



(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel <sup>#</sup>	Total
Investment of related party in the Bank	1,200.00	33.75	-	<b>1,233.75</b>
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-	-
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-
Purchase of investments	188.69	-	-	<b>188.69</b>
Sale of investments	868.73	1.12	-	<b>869.85</b>
Remuneration paid	-	12.18	-	<b>12.18</b>
Contribution to employee benefit fund	16.43	-	-	<b>16.43</b>
Placement of security deposits	0.05	-	-	<b>0.05</b>
Non-funded commitments (issued)	0.20	-	-	<b>0.20</b>
Advance granted (net)	-	7.99	-	<b>7.99</b>
Advance repaid	6.50	0.04	-	<b>6.54</b>
Receiving of services	110.29	-	-	<b>110.29</b>
Rendering of services	32.64	0.13	-	<b>32.77</b>
Sale of foreign exchange currency to related party	-	1.29	-	<b>1.29</b>
Other reimbursements from related party	6.09	-	-	<b>6.09</b>
Other reimbursements to related party	0.75	-	-	<b>0.75</b>

<sup>#</sup> Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

The balances payable to/receivable from the related parties of the Group as on 31 March, 2018 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	6,213.80	4.33	3.46	<b>6,221.59</b>
Placement of security deposits	0.43	-	-	<b>0.43</b>
Advances	7.07	18.31	0.04	<b>25.42</b>
Investment in non-equity instruments of related party	205.70	-	-	<b>205.70</b>
Investment of related party in the Bank	135.29	0.50	-	<b>135.79</b>
Non-funded commitments	3.35	-	-	<b>3.35</b>
Investment of related party in Hybrid capital/ Bonds of the Bank	4,300.00	-	-	<b>4,300.00</b>
Payable under management contracts	-	3.70	-	<b>3.70</b>
Other receivables (net)	0.03	-	-	<b>0.03</b>
Other payables (net)	-	-	-	-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2018 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	10,153.25	17.12	5.78	<b>10,176.15</b>
Placement of security deposits	0.43	-	-	<b>0.43</b>
Advances	16.76	18.31	0.09	<b>35.16</b>
Investment of related party in the Bank	137.76	0.50	-	<b>138.26</b>
Investment in non-equity instrument of the Bank	393.00	-	-	<b>393.00</b>
Non-funded commitments	3.39	-	-	<b>3.39</b>
Investment of related party in Hybrid capital/Bonds of the Bank	4,300.00	-	-	<b>4,300.00</b>
Payable under management contracts	-	3.70	-	<b>3.70</b>
Other receivables (net)	0.25	-	-	<b>0.25</b>
Other payables (net)	-	-	-	<b>-</b>

The significant transactions between the Group and related parties during the year ended 31 March, 2019 and 31 March, 2018 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Dividend paid</b>		
Life Insurance Corporation of India	-	165.04
Administrator of the Specified Undertaking of the Unit Trust of India	-	137.42
<b>Interest paid</b>		
Life Insurance Corporation of India	503.97	502.36
<b>Interest received</b>		
Mr. Rajiv Anand	0.74	0.73
Mr Rajesh Dahiya	0.35	0.04
New India Assurance Co. Limited	0.13	0.02
<b>Investment in non-equity instruments of related party</b>		
United India Insurance Co. Limited	241.26	393.00
The Oriental Insurance Co. Limited	100.00	-
<b>Investment of related party in the Bank</b>		
Life Insurance Corporation of India	-	1,200.00
Ms. Shikha Sharma	8.67	17.36
Mr Rajiv Anand	4.05	6.71
Mr Rajesh Dahiya	5.22	1.65
<b>Redemption of Hybrid capital/Bonds of the Bank</b>		
Life Insurance Corporation of India	1,500.00	-

(₹ in crores)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Purchase of investments</b>		
The Oriental Insurance Co. Limited	205.00	-
United India Insurance Co. Limited	-	188.69
<b>Sale of investments</b>		
New India Assurance Co. Limited	195.00	421.03
General Insurance Corporation Co. Limited	335.02	230.00
United India Insurance Co. Limited	141.29	157.44
The Oriental Insurance Co. Limited	145.76	25.25
<b>Remuneration paid</b>		
Ms. Shikha Sharma	6.83	4.84
Mr. V. Srinivasan	4.53	3.12
Mr. Rajiv Anand	3.18	2.44
Mr. Rajesh Dahiya	2.68	1.78
<b>Contribution to employee benefit fund</b>		
Life Insurance Corporation of India	16.53	16.16
<b>Placement of deposits</b>		
Life Insurance Corporation of India	-	0.05
<b>Advance granted (net)</b>		
Mr. Rajesh Dahiya	-	7.77
<b>Advance repaid</b>		
Life Insurance Corporation of India	0.45	6.50
Mr Rajiv Anand	2.13	-
Mr. Rajesh Dahiya	5.23	-
<b>Receiving of services</b>		
The Oriental Insurance Co. Limited	55.84	66.42
New India Assurance Co. Limited	52.72	27.22
Life Insurance Corporation of India	11.42	10.94
<b>Rendering of services</b>		
Life Insurance Corporation of India	26.60	16.39
General Insurance Corporation Co. Limited	0.07	12.50
<b>Sale of foreign exchange currency to related party</b>		
Ms. Shikha Sharma	1.14	1.29
Mr Amitabh Choudhry	0.15	N.A.
<b>Other reimbursements to related party</b>		
Life Insurance Corporation of India	0.66	0.75
<b>Other reimbursements from related party</b>		
New India Assurance Co. Limited	0.10	2.42
General Insurance Corporation Of India	-	3.67

### 1.1.9 Leases

#### Disclosure in respect of assets taken on operating lease

This comprise of office premises/ATMs, cash deposit machines, electronic data capturing machines and IT equipment.

	(₹ in crores)	
	31 March, 2019	31 March, 2018
Future lease rentals payable as at the end of the year:		
- Not later than one year	805.03	742.66
- Later than one year and not later than five years	2,531.53	2,303.58
- Later than five years	2,249.34	1,874.37
Total of minimum lease payments recognised in the Profit and Loss Account for the year	864.08	823.91

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements.

There are generally no undue restrictions or onerous clauses in the agreements.

#### Disclosure in respect of assets given on operating lease

	(₹ in crores)	
	31 March, 2019	31 March, 2018
Gross carrying amount of premises at the end of the year	157.91	-
Accumulated depreciation at the end of the year	8.63	-
Total depreciation charged to profit and loss account for the year	0.65	-
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.99	-
- Later than one year and not later than five years	116.54	-
- Later than five years	100.08	-

There are no provisions relating to contingent rent.

### 1.1.10 The movement in fixed assets capitalized as application software (included in other Fixed Assets)

	(₹ in crores)	
Particulars	31 March, 2019	31 March, 2018
<b>At cost at the beginning of the year</b>	1,349.22	1,101.57
Additions during the year*	332.49	247.69
Deductions during the year	(0.23)	(0.04)
Accumulated depreciation as at 31 March	(1,101.01)	(893.69)
<b>Closing balance as at 31 March</b>	<b>580.47</b>	<b>455.53</b>
Depreciation charge for the year	207.32	169.43

\*includes movement on account of exchange rate fluctuation

1.1.11 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

As at	31 March, 2019	31 March, 2018
Deferred tax assets on account of provisions for doubtful debts	7,086.15	6,637.49
Deferred tax assets on account of amortisation of HTM investments	8.35	11.28
Deferred tax assets on account of provision for employee benefits	128.42	121.38
Deferred tax assets on account of other items	554.71	280.44
<b>Deferred tax assets</b>	<b>7,777.63</b>	<b>7,050.59</b>
Deferred tax liability on account of depreciation on fixed assets	62.31	103.46
Deferred tax liabilities on account of other items	27.64	35.81
<b>Deferred tax liabilities</b>	<b>89.95</b>	<b>139.27</b>
<b>Net deferred tax asset</b>	<b>7,687.68</b>	<b>6,911.32</b>

1.1.12 Employee Benefits

#### Provident Fund Group

The contribution to the employee's provident fund (including Employee Pension Scheme) of the Group amounted to ₹189.45 crores for the year ended 31 March, 2019 (previous year ₹175.11 crores).

#### Axis Bank Ltd.

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank. Based on an actuarial valuation conducted by an independent actuary, there is no deficiency as at the Balance Sheet date for the Bank.

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan.

#### Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees):

(₹ in crores)

	31 March, 2019	31 March, 2018
Current Service Cost*	98.60	88.99
Interest on Defined Benefit Obligation	159.70	127.95
Expected Return on Plan Assets	(189.59)	(171.00)
Net Actuarial Losses/(Gains) recognised in the year	29.89	43.05
<b>Total included in "Employee Benefit Expense" [Schedule 16(I)]</b>	<b>98.60</b>	<b>88.99</b>
Actual Return on Plan Assets	132.30	140.05

\* includes contribution of ₹0.52 crores towards staff deputed at subsidiaries (previous year ₹0.46 crores)

## Balance Sheet

Details of provision for provident fund

(₹ in crores)

	31 March, 2019	31 March, 2018
Fair Value of Plan Assets	2,245.71	2,006.65
Present Value of Funded Obligations	(2,245.71)	(2,006.65)
<b>Net Asset</b>	-	-
<b>Amounts in Balance Sheet</b>		
Liabilities	-	-
Assets	-	-
<b>Net Asset (included under Schedule 11 – Other Assets)</b>	-	-

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2019	31 March, 2018
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	2,006.65	1,688.78
Current Service Cost	98.60	88.99
Interest Cost	159.70	127.95
Actuarial Losses/(Gains)	(27.40)	12.10
Employees Contribution	217.42	200.76
Liability transferred from/to other companies	(16.45)	(14.62)
Benefits Paid	(192.81)	(97.31)
<b>Closing Defined Benefit Obligation</b>	<b>2,245.71</b>	<b>2,006.65</b>

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2019	31 March, 2018
<b>Change in the Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	2,006.65	1,688.78
Expected Return on Plan Assets	189.59	171.00
Actuarial Gains/(Losses)	(57.29)	(30.95)
Employer contribution during the period	98.60	88.99
Employee contribution during the period	217.42	200.76
Assets transferred from/to other companies	(16.45)	(14.62)
Benefits Paid	(192.81)	(97.31)
<b>Closing Fair Value of Plan Assets</b>	<b>2,245.71</b>	<b>2,006.65</b>

Experience adjustments\*

(₹ in crores)

	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Defined Benefit Obligations	2,245.71	2,006.65	1,688.78	1,439.02	1,241.53
Plan Assets	2,245.71	2,006.65	1,688.78	1,439.02	1,241.53
Surplus/(Deficit)	-	-	-	-	-
Experience Adjustments on Plan Liabilities	(27.40)	12.10	20.83	12.08	(1.78)
Experience Adjustments on Plan Assets	(57.29)	(30.95)	0.58	(6.16)	(3.99)

\* information provided to the extent available with the Bank

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets:

	31 March, 2019	31 March, 2018
	%	%
Government securities	55.91	53.75
Bonds, debentures and other fixed income instruments	40.00	42.16
Equity shares	3.77	3.79
Others	0.32	0.30

Principal actuarial assumptions at the balance sheet date:

	31 March, 2019	31 March, 2018
Discount rate for the term of the obligation	7.65%	7.95%
Average historic yield on the investment portfolio	8.88%	8.90%
Discount rate for the remaining term to maturity of the investment portfolio	7.55%	7.68%
Expected investment return	8.98%	9.17%
Guaranteed rate of return	8.65%	8.55%

The Hon'ble Supreme Court of India ("SC") by an order dated 28 February, 2019 in one case, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Pending decision on the subject review petition and directions from the Employees' Provident Fund organisation, no effect has been given in the financial statements.

**Superannuation**

The Bank contributed ₹16.51 crores to the employee's superannuation plan for the year ended 31 March, 2019 (previous year ₹16.12 crores).

**National Pension Scheme (NPS)**

During the year, the Bank has contributed ₹5.22 crores (previous year ₹3.85 crores) to the NPS for employees who had opted for the scheme.

## Group

### Leave Encashment

The liability of compensated absences of accumulated privileged leave of the employees of the Group is given below.

(₹ in crores)

	31 March, 2019			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(l)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Bank Ltd.	247.35	46.62	-	-
Axis Capital Ltd.*	0.08	Nil	6.48% p.a.	7.00% p.a.
Axis Securities Ltd.*	1.23	Nil	7.65% p.a.	10.00% p.a.
Axis Asset Management Co. Ltd.	Nil	1.29	-	-
Axis Finance Ltd.*	0.70	0.36	7.77% p.a.	7.00% p.a.
A.Treds Ltd.*	0.14	0.13	7.65% p.a.	10.00% p.a.
FreeCharge Payment Technologies Ltd.*	1.86	(0.37)	6.80% p.a.	12.00% p.a.
Accelyst Solutions Ltd.*	0.13	(0.09)	6.75% p.a.	12.00% p.a.

\* based on actuarial valuation

(₹ in crores)

	31 March, 2018*			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(l)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Bank Ltd.	243.82	47.33	7.95% p.a.	7.00% p.a.
Axis Capital Ltd.	0.10	Nil	7.68% p.a.	7.00% p.a.
Axis Securities Ltd.	0.66	0.66	6.60% p.a.	7.00% p.a.
Axis Asset Management Co. Ltd.	1.17	0.64	7.50% p.a.	12.00% p.a.
Axis Finance Ltd.	0.41	0.05	7.73% p.a.	7.00% p.a.
A.Treds Ltd.	0.05	0.05	7.80% p.a.	7.00% p.a.
FreeCharge Payment Technologies Ltd.	2.68	0.81	7.10% p.a.	10.50% p.a.
Accelyst Solutions Ltd.	0.25	0.19	7.10% p.a.	10.50% p.a.

\* based on actuarial valuation

## Group

### Gratuity

The following tables summarize the components of net benefit expenses recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

#### Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees):

(₹ in crores)

	31 March, 2019	31 March, 2018
Current Service Cost	49.02	41.98
Interest on Defined Benefit Obligation	30.88	23.92
Expected Return on Plan Assets	(25.49)	(22.35)
Net Actuarial Losses/(Gains) recognised in the year	7.02	(15.41)
Past Service Cost	0.03	31.37
<b>Total included in "Employee Benefit Expense" [Schedule 16(1)]</b>	<b>61.45</b>	<b>59.51</b>
Actual Return on Plan Assets	34.95	27.19



**Balance Sheet**

Details of provision for gratuity:

(₹ in crores)

	31 March, 2019	31 March, 2018
Present Value of Funded Obligations	(417.44)	(361.43)
Present Value of un-funded Obligations	(6.97)	(5.56)
Fair Value of Plan Assets	403.44	336.33
Unrecognised Past Service Cost	2.33	0.03
<b>Net (Liability)/Asset</b>	<b>(18.65)</b>	<b>(30.63)</b>
<b>Amounts in Balance Sheet</b>		
Liabilities	18.65	30.63
Assets	-	-
<b>Net Liability (included under Schedule 5 – Other Liabilities)</b>	<b>(18.65)</b>	<b>(30.63)</b>

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2019	31 March, 2018
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	366.99	301.45
Current Service Cost	49.02	41.98
Interest Cost	30.88	23.92
Actuarial Losses/(Gains)	16.57	(10.56)
Past Service Cost	2.33	31.40
Liabilities Assumed on Acquisition	0.14	1.21
Liabilities transferred in	0.19	0.57
Benefits Paid	(41.71)	(22.98)
<b>Closing Defined Benefit Obligation</b>	<b>424.41</b>	<b>366.99</b>

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2019	31 March, 2018
Opening Fair Value of Plan Assets	336.33	290.11
Expected Return on Plan Assets	25.49	22.35
Actuarial Gains/(Losses)	9.55	4.85
Contributions by Employer	73.16	41.33
Assets transferred in	-	0.57
Benefits Paid	(41.10)	(22.88)
<b>Closing Fair Value of Plan Assets</b>	<b>403.44</b>	<b>336.33</b>

Experience adjustments:

(₹ in crores)

	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Defined Benefit Obligations	424.41	366.99	301.45	246.84	219.95
Plan Assets	403.44	336.33	290.11	243.00	219.26
Surplus/(Deficit)	(20.97)	(30.66)	(11.34)	(3.84)	(0.69)
Experience Adjustments on Plan Liabilities	6.70	2.90	7.09	2.98	0.76
Experience Adjustments on Plan Assets	9.55	(4.91)	(1.68)	(5.28)	1.39

### Axis Bank Ltd.

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2019	31 March, 2018
	%	%
Government securities	37.43	49.04
Bonds, debentures and other fixed income instruments	47.82	39.82
Money market instruments	5.38	8.70
Equity shares	2.00	2.22
Others	7.37	0.22

Principal actuarial assumptions at the balance sheet date:

	31 March, 2019	31 March, 2018
Discount Rate	7.65% p.a.	7.95% p.a.
Expected rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover		
- 18 to 30 (age in years)	20.00%	20.00%
- 31 to 44 (age in years)	10.00%	10.00%
- 45 to 59 (age in years)	5.00%	5.00%

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

### Axis Capital Ltd.

	31 March, 2019	31 March, 2018
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00	100.00

\*composition of plan assets is not available

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	7.48% p.a.	7.68% p.a.
Expected rate of Return on Plan Assets	7.48% p.a.	7.68% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover	10.00% p.a.	10.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

#### Axis Asset Management Company Ltd.

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	7.23% p.a.	7.50% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	11.00% p.a.	12.00% p.a.
Employee Turnover	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### Axis Securities Ltd.

	31 March, 2019	31 March, 2018
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00	100.00

\*composition of plan assets is not available

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	7.00% p.a.	6.60% p.a.
Expected rate of Return on Plan Assets	7.50% p.a.	7.00% p.a.
Salary Escalation Rate	7.64% p.a.	7.00% p.a.
Employee Turnover	7.00%	7.00%

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

## Axis Finance Ltd.

	31 March, 2019	31 March, 2018
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00	100.00

\*composition of plan assets is not available

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	7.77% p.a.	7.73% p.a.
Expected rate of Return on Plan Assets	7.77% p.a.	7.73% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover	10.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Axis Trustee Services Ltd.

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	6.66% p.a.	7.35% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	10.00% p.a.	10.00% p.a.
Employee Turnover	30.00%	20.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## A. Treds Ltd.

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	7.65% p.a.	7.80% p.a.
Expected rate of Return on Plan Assets	7.50% p.a.	N.A.
Salary Escalation Rate	10.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	20.00%	20.00%
- 31 to 44 (age in years)	10.00%	10.00%
- 45 to 59 (age in years)	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Accelyst Solution Pvt Ltd

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	6.75% p.a.	7.10% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	12.00% p.a.	10.50% p.a.
Employee Turnover	31.07%	25.70%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### FreeCharge Payment Technologies Pvt Ltd

	31 March, 2019	31 March, 2018
<b>Principal actuarial assumptions at the balance sheet date:</b>		
Discount Rate	6.80% p.a.	7.10% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	12.00% p.a.	10.50% p.a.
Employee Turnover	28.40%	25.70%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### 1.1.13 Small and Micro Enterprises

##### Axis Bank Ltd.

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

##### Subsidiaries

(₹ in crores)

Particulars	31 March, 2019	31 March, 2018
The Principal amount and the interest due thereon remaining unpaid to any supplier	0.02	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	0.02	-
The amount of interest accrued and remaining unpaid	0.02	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-

#### 1.1.14 Corporate Social Responsibility (CSR)

- a) Amount required to be spent by the Group on CSR during the year ₹139.72 crores (previous year ₹196.38 crores).
- b) Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is ₹149.37 crores (previous year ₹143.33 crores), which comprise of following –

	31 March, 2019			31 March, 2018		
	In cash	Yet to be paid in cash (i.e. provision)	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	11.89	-	11.89	2.22	-	2.22
On purpose other than above	136.91	0.57	137.48	133.84	7.27	141.11

#### 1.1.15 Provisions and contingencies

- a) Movement in provision for frauds included under other liabilities is set out below:

(₹ in crores)

	31 March, 2019	31 March, 2018
Opening balance at the beginning of the year	60.98	59.40
Additions during the year	0.78	2.00
Reductions on account of payments during the year	-	(0.15)
Reductions on account of reversals during the year	(8.18)	(0.27)
<b>Closing balance at the end of the year</b>	<b>53.58</b>	<b>60.98</b>

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

(₹ in crores)

	31 March, 2019	31 March, 2018
Opening provision at the beginning of the year	143.94	110.45
Provision made during the year	127.22	89.05
Reductions during the year	(65.26)	(55.56)
<b>Closing provision at the end of the year</b>	<b>205.90</b>	<b>143.94</b>

- c) Movement in provision for other contingencies is set out below:

(₹ in crores)

	31 March, 2019	31 March, 2018
Opening provision at the beginning of the year	150.66	595.62
Provision made during the year	609.26	342.25
Reductions during the year	(617.93)	(787.21)
<b>Closing provision at the end of the year</b>	<b>141.99</b>	<b>150.66</b>

Closing provision includes provision for legal cases and other contingencies. Provisions made and reductions during the year also include contingent provision for advances.

### 1.1.16 Description of contingent liabilities

a) Claims against the Group not acknowledged as debts

These represent claims filed against the Group in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax authorities and disputed by the Group. Apart from claims assessed as possible, the Group holds provision of ₹56.06 crores as on 31 March, 2019 (previous year ₹43.28 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange and derivative contracts

The Group enters into foreign exchange contracts, currency options/swaps, interest rate/currency futures and forward rate agreements on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the owner the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective forward exchange and derivative contracts.

d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

e) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

f) Other items for which the Group is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, commitments to venture capital funds/alternate investment funds, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end, demands raised by statutory authorities (other than income tax) and disputed by the Group and the amount transferred to Depositor Education and Awareness Fund (DEAF).

During earlier years, the Bank, through one of its overseas branches, had arranged Trade Credit (Buyers Credit loans) against Letters of Undertaking (LOUs) issued by Punjab National Bank (PNB), which were subsequently alleged as fraudulent by PNB. Prior to this declaration by PNB, such buyer's credit loans were sold down in the secondary market by the overseas branch to various participating banks under Risk Participation Agreements. As on 31 March, 2019, there is no funded exposure outstanding in the overseas branch pursuant to such sell down. PNB has repaid the aggregate amount of all LOUs due upto 31 March, 2019, pursuant to an undertaking issued to PNB, and made remittance to the overseas branch which has been passed on for onward payment to the participating banks. Based on the facts and circumstances of the case, internal findings and legal opinion, the Bank does not expect PNB has any valid right at this point in time, for refund by the Bank of the aggregate amount paid by PNB towards LOUs due upto 31 March, 2019. However, as a matter of prudence, the aggregate amount of LOUs issued by PNB to the overseas branch against which buyer's credit was extended, aggregating to ₹4,082.51 crores has been disclosed as part of Contingent Liabilities in the Balance Sheet.

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

#### 1.1.17 Comparative Figures

Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For Axis Bank Ltd.

**For Haribhakti & Co. LLP**

Chartered Accountants

Firm Registration No.: 103523W/W100048

**Sanjiv Misra**

Chairman

**Purushottam Nyati**

Partner

Membership No.: 118970

**Samir K. Barua**

Director

**S. Vishvanathan**

Director

**B. Babu Rao**

Director

**Amitabh Chaudhry**

Managing Director & CEO

Date: 25 April, 2019

Place: Mumbai

**Girish V. Koliyote**

Company Secretary

**Jairam Sridharan**

Chief Financial Officer

**Rakesh Makhija**

Director

**Girish Paranjpe**

Director



# Form AOC-1

Statement pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(₹ in crores)

	As on/For the year ended 31 <sup>st</sup> March 2019											
	Axis Capital Ltd.	Axis Private Equity Ltd.	Axis Trustee Services Ltd.	Axis Mutual Fund Trustee Ltd.	Axis Asset Management Company Ltd.	Axis Bank UK Ltd. (Refer Note a)	Axis Finance Ltd.	Axis Securities Ltd.	A.Treads Ltd.	Freecharge Payment Technologies Private Ltd.	Acelyst Solutions Private Ltd.	Axis Capital USA LLC. (Refer Note b)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	USD (US\$ 1 = ₹69.155)	NA	NA	NA	NA	NA	USD (US\$ 1 = ₹69.155)
Share capital	73.50	1.50	1.50	0.05	210.11	553.24	480.75	144.50	45.00	581.05	679.68	4.88
Reserves & surplus	274.35	2.19	61.46	0.45	100.69	269.33	810.57	197.18	(24.43)	(451.13)	(650.09)	(1.18)
Total assets (Fixed Assets + Investments + Other Assets)	746.11	3.71	69.35	0.54	464.23	5,726.55	8,231.27	610.04	24.32	153.33	125.51	4.12
Total liabilities (Deposits + Borrowings + Other Liabilities + Provision)	398.27	0.02	6.38	0.04	153.43	4,903.98	6,939.95	268.35	3.75	23.40	95.93	0.42
Investments	123.16	-	2.06	0.47	159.19	962.03	100.00	-	-	25.51	1.44	3.81
Turnover (Total Income)	244.05	0.15	39.56	0.53	685.12	297.97	911.04	1,084.68	4.06	100.98	18.35	0.01
Profit/(Loss) before taxation	96.43	(0.17)	27.05	0.19	84.61	61.00	349.93	119.06	(15.89)	(0.34)	(77.99)	(0.79)
Provision for taxation	32.85	-	8.04	0.04	29.78	11.94	123.25	41.60	-	-	-	-
Profit/(Loss) after taxation	63.59	(0.17)	19.01	0.14	54.84	49.06	226.68	77.47	(15.89)	(0.34)	(77.99)	(0.79)
Proposed Dividend and Tax (including cess thereon) (Refer Note c)	39.88	-	16.27	-	-	31.12	144.89	40.00	-	-	-	-
% of shareholding	100%	100%	100%	75%	75%	100%	100%	100%	67%	100%	100%	100%

The audited financial statements of the above subsidiaries and the unaudited financial statements of the step down subsidiary have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2019.

### Notes:

- Asset/Liability items are stated in INR equivalent of USD (\$1 = ₹69.155 as on 31 March, 2019). Profit and loss items reported in INR based on rates prevailing on the date of transactions.
- Axis Capital USA LLC. is a wholly owned subsidiary of Axis Capital Ltd. (a wholly owned subsidiary of Axis Bank Ltd.), Asset/Liability and Profit and loss items are stated in INR equivalent of USD (\$1 = ₹69.155 as on 31 March, 2019).
- In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendment to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, proposed dividend has not been recognised as a liability by the subsidiaries as on 31 March, 2019.

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**Part "B": Associates and Joint Ventures - Not applicable**

# Basel III Disclosures

As at 31 March, 2019

In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1<sup>st</sup> July, 2015 on 'Basel III Capital Regulations' and RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures which are available on its website under the 'Regulatory Disclosure' section at the following link:

<http://www.axisbank.com/investor-corner/baselIII-disclosures.aspx>

## Notice

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the Members of Axis Bank Limited (the “**Bank**”) will be held at **10.00 A.M.** on **Saturday, 20<sup>th</sup> July 2019** at H. T. Parekh Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat, to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the audited standalone financial statements of the Bank, for the financial year ended 31<sup>st</sup> March 2019 and the Reports of the Directors’ and the Auditors’ thereon; and
  - b. the audited consolidated financial statements, for the financial year ended 31<sup>st</sup> March 2019 and the Report of the Auditors’ thereon.
2. To declare dividend on the equity shares of the Bank, for the financial year ended 31<sup>st</sup> March 2019.
3. To appoint a director in place of **Smt. Usha Sangwan** (DIN 02609263), who retires by rotation and being eligible, has offered herself for re-appointment.

### **SPECIAL BUSINESS:**

4. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the “**Act**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”), the relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (“**RBI**”), in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the “**Bank**”) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank be and is hereby accorded to the appointment of **Shri Rakesh Makhija** (DIN 00117692), Independent Director, as the Non-Executive (Part-time) Chairman of the Bank, for a period of 3 (three) years, with effect from 18<sup>th</sup> July 2019 up to 17<sup>th</sup> July 2022 (both days inclusive), subject to the approval of RBI.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Act, Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the RBI, in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank, be and is hereby accorded to the payment of remuneration to **Shri Rakesh Makhija** (DIN 00117692), as the Non-Executive (Part-time) Chairman of the Bank, with effect from 18<sup>th</sup> July 2019, detailed as under, subject to the approval of the RBI:

Particulars	Amount
Remuneration	: ₹ 33,00,000 p.a.
<b>Perquisites</b>	
Company Car	: Free use of the Bank's car for official and private purposes
Touring	: Travelling and official expenses to be borne by the Bank for Board functions as a Chairman
Sitting fees	: As payable to other Non-Executive Directors.

**“RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution.”

5. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the **“Act”**), Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (**“RBI”**) in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the **“Bank”**) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank, be and is hereby accorded to the revision in the remuneration by way of salary, allowances and perquisites payable to **Shri Amitabh Chaudhry** (DIN 00531120), as the Managing Director & CEO of the Bank, with effect from 1<sup>st</sup> April 2019, detailed as under, subject to the approval of the RBI:

Particulars	Amount
Salary	: ₹ 3,87,54,000 p.a.
Leave Fare Concession	: ₹ 10,00,000 p.a.
<b>Perquisites</b>	
House Rent Allowance	: ₹ 1,07,65,000 p.a. (in lieu of Bank's owned /Leased accommodation)
Residence	: Owned/Leased accommodation to be provided by the Bank.
Provident Fund	: 12% of basic pay by the Bank or as may be decided upon by the Board/Trustees, from time to time.
Gratuity	: One month's salary for each completed year of service or part thereof (On pro-rata basis).
Superannuation Allowance/Fund	: 10% of basic pay p.a.
Travelling Allowances	: As per the Bank's Policy.
Medical benefits	: (i) Group mediclaim facility as available to other employees of the Bank. (ii) Reimbursement of full medical expenses for self and family.
Club fees	: Membership of two clubs (excluding life membership fees). All official expenses in connection with such membership incurred would be reimbursed by the Bank.
Conveyance & Telephone	: As per the Bank's Policy.
Personal Insurance	: As per the Bank's Policy.
Newspapers & Periodical	: As per requirement.
Entertainment	: Expenditure on official entertainment would be on the Bank's account.
Utility Bills	: To be reimbursed at actuals up to a limit of ₹ 3,75,000 p.a.
Furnishing Allowance	: Reimbursement at actuals up to a limit of ₹ 30,00,000 for every 3 years.

Particulars	Amount
Car	: As per the Bank's policy.
Leave	: As per the Bank's Rules.
Stock Options	: Stock Options as may be decided by the Nomination and Remuneration Committee, from time to time, subject to the approval of the Reserve Bank of India.
Variable Pay	: As may be decided by the Nomination and Remuneration Committee/ Board, subject to the approval of the Reserve Bank of India.
Loans	: Loan facilities to be provided as per the Bank's policy, at the rate of interest applicable to other employees.
Other terms	: As per the Bank's staff rules and as may be agreed by the Board, from time to time."

**"RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution."

6. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the **"Act"**), Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (**"RBI"**) in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the **"Bank"**) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank, be and is hereby accorded to the revision in the remuneration by way of salary, allowances and perquisites payable to **Shri Rajiv Anand** (DIN 02541753), as the Executive Director (Wholesale Banking) of the Bank, for the remainder of his existing term i.e. from 1<sup>st</sup> April 2019 upto 3<sup>rd</sup> August 2019 (both days inclusive), detailed as under, subject to the approval of the RBI:

Particulars	Amount
Salary	: ₹ 1,85,93,952 p.a.
Leave Fare Concession	: ₹ 5,50,000 p.a.
<b>Perquisites</b>	
House Rent Allowance	: ₹ 61,36,004 p.a. (in lieu of Bank's owned /Leased accommodation)
Residence	: Owned/Leased accommodation to be provided by the Bank.
Provident Fund	: 12% of basic pay by the Bank or as may be decided upon by the Board/Trustees, from time to time.
Gratuity	: One month's salary for each completed year of service or part thereof (On pro-rata basis).
Superannuation Allowance/Fund	: 10% of basic pay p.a.
Travelling Allowances	: As per the Bank's Policy.
Medical benefits	: (i) Group mediclaim facility as available to other employees of the Bank. (ii) Reimbursement of full medical expenses for self and family.
Club fees	: Membership of two clubs (excluding life membership fees). All official expenses in connection with such membership incurred would be reimbursed by the Bank.
Conveyance & Telephone	: As per the Bank's Policy.
Personal Insurance	: As per the Bank's Policy.
Newspapers & Periodical	: As per requirement.

Entertainment	: Expenditure on official entertainment would be on the Bank's account.
Utility Bills	: To be reimbursed at actuals up to a limit of ₹ 1,32,000 p.a.
Furnishing Allowance	: Reimbursement at actuals up to a limit of ₹ 15,00,000 for every 3 years.
Car	: As per the Bank's policy.
Leave	: As per the Bank's Rules.
Stock Options	: Stock Options as may be decided by the Nomination and Remuneration Committee, from time to time, subject to the approval of the Reserve Bank of India.
Variable Pay	: As may be decided by the Nomination and Remuneration Committee/ Board, subject to the approval of the Reserve Bank of India.
Loans	: Loan facilities to be provided as per the Bank's policy, at the rate of interest applicable to other employees.
Other terms	: As per the Bank's staff rules and as may be agreed by the Board, from time to time."

**"RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution."

7. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the "Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), Section 35B and other applicable provisions of the Banking Regulation Act, 1949 and the rules, guidelines and circulars issued by the Reserve Bank of India ("RBI"), in this regard, from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation or re-enactment thereof, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the "Bank") and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank be and is hereby accorded to the re-appointment of **Shri Rajiv Anand** (DIN 02541753) as the Whole Time Director designated as the 'Executive Director (Wholesale Banking)' of the Bank, for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 up to 3<sup>rd</sup> August 2022 (both days inclusive), subject to the approval of the RBI **AND THAT Shri Rajiv Anand** (DIN 02541753) shall be liable to retire by rotation during the said period, in terms of the provisions of Section 152(6) of the Act."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Act, Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the RBI, in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank, be and is hereby accorded to the payment of remuneration by way of salary, allowances and perquisites, to **Shri Rajiv Anand** (DIN 02541753), as the Executive Director (Wholesale Banking) of the Bank, with effect from 4<sup>th</sup> August 2019, detailed as under, subject to the approval of the RBI:

Particulars	Amount
Salary	: ₹ 1,85,93,952 p.a.
Leave Fare Concession	: ₹ 5,50,000 p.a.
<b>Perquisites</b>	
House Rent Allowance	: ₹ 61,36,004 p.a. (in lieu of Bank's owned /Leased accommodation)
Residence	: Owned/Leased accommodation to be provided by the Bank.

Particulars	Amount
Provident Fund	: 12% of basic pay by the Bank or as may be decided upon by the Board/Trustees, from time to time.
Gratuity	: One month's salary for each completed year of service or part thereof (On pro-rata basis).
Superannuation Allowance/Fund	: 10% of basic pay p.a.
Travelling Allowances	: As per the Bank's Policy.
Medical benefits	: (i) Group mediclaim facility as available to other employees of the Bank. (ii) Reimbursement of full medical expenses for self and family.
Club fees	: Membership of two clubs (excluding life membership fees). All official expenses in connection with such membership incurred would be reimbursed by the Bank.
Conveyance & Telephone	: As per the Bank's Policy.
Personal Insurance	: As per the Bank's Policy.
Newspapers & Periodical	: As per requirement.
Entertainment	: Expenditure on official entertainment would be on the Bank's account.
Utility Bills	: To be reimbursed at actuals up to a limit of ₹ 1,32,000 p.a.
Furnishing Allowance	: Reimbursement at actuals up to a limit of ₹ 15,00,000 for every 3 years.
Car	: As per the Bank's policy.
Leave	: As per the Bank's Rules.
Stock Options	: Stock Options as may be decided by the Nomination and Remuneration Committee, from time to time, subject to the approval of the Reserve Bank of India.
Variable Pay	: As may be decided by the Nomination and Remuneration Committee/ Board, subject to the approval of the Reserve Bank of India.
Loans	: Loan facilities to be provided as per the Bank's policy, at the rate of interest applicable to other employees.
Other terms	: As per the Bank's staff rules and as may be agreed by the Board, from time to time."

**"RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution."

8. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the "**Act**"), Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India ("**RBI**") in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the "**Bank**") and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank, be and is hereby accorded to the revision in the remuneration by way of salary, allowances and perquisites payable to **Shri Rajesh Dahiya** (DIN 07508488), as the Executive Director (Corporate Centre) of the Bank, for the remainder of his existing term i.e. from 1<sup>st</sup> April 2019 upto 3<sup>rd</sup> August 2019 (both days inclusive), detailed as under, subject to the approval of the RBI:

Particulars	Amount
Salary	: ₹ 1,65,39,850 p.a.
Leave Fare Concession	: ₹ 5,50,000 p.a.
<b>Perquisites</b>	
House Rent Allowance	: ₹ 54,58,151 p.a. (in lieu of Bank's owned /Leased accommodation)
Residence	: Owned/Leased accommodation to be provided by the Bank.
Provident Fund	: 12% of basic pay by the Bank or as may be decided upon by the Board/Trustees, from time to time.
Gratuity	: One month's salary for each completed year of service or part thereof (On pro-rata basis).
Superannuation Allowance/Fund	: 10% of basic pay p.a.
Travelling Allowances	: As per the Bank's Policy.
Medical benefits	: (i) Group mediclaim facility as available to other employees of the Bank. (ii) Reimbursement of full medical expenses for self and family.
Club fees	: Membership of two clubs (excluding life membership fees). All official expenses in connection with such membership incurred would be reimbursed by the Bank.
Conveyance & Telephone	: As per the Bank's Policy.
Personal Insurance	: As per the Bank's Policy.
Newspapers & Periodical	: As per requirement.
Entertainment	: Expenditure on official entertainment would be on the Bank's account.
Utility Bills	: To be reimbursed at actuals up to a limit of ₹ 1,32,000 p.a.
Furnishing Allowance	: Reimbursement at actuals up to a limit of ₹ 15,00,000 for every 3 years.
Car	: As per the Bank's policy.
Leave	: As per the Bank's Rules.
Stock Options	: Stock Options as may be decided by the Nomination and Remuneration Committee, from time to time, subject to the approval of the Reserve Bank of India.
Variable Pay	: As may be decided by the Nomination and Remuneration Committee/ Board, subject to the approval of the Reserve Bank of India.
Loans	: Loan facilities to be provided as per the Bank's policy, at the rate of interest applicable to other employees.
Other terms	: As per the Bank's staff rules and as may be agreed by the Board, from time to time."

**"RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution."

9. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the **"Act"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**), Section 35B and other applicable provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (**"RBI"**), in this regard, from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the **"Bank"**) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank be and is hereby accorded to the re-appointment of **Shri Rajesh Dahiya** (DIN 07508488) as the Whole Time Director designated as the 'Executive Director (Corporate Centre)'



of the Bank, for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 up to 3<sup>rd</sup> August 2022 (both days inclusive), subject to the approval of the RBI **AND THAT Shri Rajesh Dahiya** (DIN 07508488) shall be liable to retire by rotation during the said period, in terms of the provisions of Section 152(6) of the Act.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Act, Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the RBI, in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank, be and is hereby accorded to the payment of remuneration by way of salary, allowances and perquisites to **Shri Rajesh Dahiya** (DIN 07508488), as the Executive Director (Corporate Centre) of the Bank, with effect from 4<sup>th</sup> August 2019, detailed as under, subject to the approval of the RBI:

Particulars	Amount
Salary	: ₹ 1,65,39,850 p.a.
Leave Fare Concession	: ₹ 5,50,000 p.a.
<b>Perquisites</b>	
House Rent Allowance	: ₹ 54,58,151 p.a. (in lieu of Bank's owned /Leased accommodation)
Residence	: Owned/Leased accommodation to be provided by the Bank.
Provident Fund	: 12% of basic pay by the Bank or as may be decided upon by the Board/Trustees, from time to time.
Gratuity	: One month's salary for each completed year of service or part thereof (On pro-rata basis).
Superannuation Allowance/Fund	: 10% of basic pay p.a.
Travelling Allowances	: As per the Bank's Policy.
Medical benefits	: (i) Group mediclaim facility as available to other employees of the Bank. (ii) Reimbursement of full medical expenses for self and family.
Club fees	: Membership of two clubs (excluding life membership fees). All official expenses in connection with such membership incurred would be reimbursed by the Bank.
Conveyance & Telephone	: As per the Bank's Policy.
Personal Insurance	: As per the Bank's Policy.
Newspapers & Periodical	: As per requirement.
Entertainment	: Expenditure on official entertainment would be on the Bank's account.
Utility Bills	: To be reimbursed at actuals up to a limit of ₹ 1,32,000 p.a.
Furnishing Allowance	: Reimbursement at actuals up to a limit of ₹ 15,00,000 for every 3 years.
Car	: As per the Bank's policy.
Leave	: As per the Bank's Rules.
Stock Options	: Stock Options as may be decided by the Nomination and Remuneration Committee, from time to time, subject to the approval of the Reserve Bank of India.
Variable Pay	: As may be decided by the Nomination and Remuneration Committee/ Board, subject to the approval of the Reserve Bank of India.
Loans	: Loan facilities to be provided as per the Bank's policy, at the rate of interest applicable to other employees.
Other terms	: As per the Bank's staff rules and as may be agreed by the Board, from time to time.”

“**RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution.”

10. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the **“Act”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **“SEBI Listing Regulations”**), the applicable provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (**“RBI”**) in this regard, from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the **“Bank”**) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, **Shri Pralay Mondal** (DIN 00117994), be and is hereby appointed as a Director of the Bank, with effect from 1<sup>st</sup> August 2019, subject to the approval of the RBI.”

**“RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/ Officer(s) of the Bank, to give effect to this Resolution.”

11. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the **“Act”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **“SEBI Listing Regulations”**), Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (**“RBI”**) in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of Axis Bank Limited (the **“Bank”**) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank be and is hereby accorded to the appointment of **Shri Pralay Mondal** (DIN 00117994) as the Whole Time Director designated as the ‘Executive Director (Retail Banking)’ of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> August 2019 up to 31<sup>st</sup> July 2022 (both days inclusive), subject to the approval of the RBI **AND THAT Shri Pralay Mondal** (DIN 00117994) shall be liable to retire by rotation during the said period, in terms of the provisions of Section 152(6) of the Act.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Act, Section 35B and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the RBI in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force) and the provisions of the Articles of Association of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Bank, approval of the Members of the Bank, be and is hereby accorded to the payment of remuneration by way of salary, allowances and perquisites to **Shri Pralay Mondal** (DIN 00117994), as the Whole Time Director designated as the ‘Executive Director (Retail Banking)’ of the Bank, with effect from 1<sup>st</sup> August 2019, on the terms and conditions, detailed as under, subject to the approval of the RBI:

Particulars	Amount
Salary	: ₹1,70,24,139 p.a.
Leave Fare Concession	: ₹ 5,50,000 p.a.
<b>Perquisites</b>	
House Rent Allowance	: ₹ 56,17,966 p.a. (in lieu of Bank’s owned /Leased accommodation)
Residence	: Owned/Leased accommodation to be provided by the Bank.
Provident Fund	: 12% of basic pay by the Bank or as may be decided upon by the Board/Trustees, from time to time.”

Particulars	Amount
Gratuity	: One month's salary for each completed year of service or part thereof (On pro-rata basis).
Superannuation Allowance/Fund	: 10% of basic pay p.a.
Travelling Allowances	: As per the Bank's Policy.
Medical benefits	: (i) Group mediclaim facility as available to other employees of the Bank. (ii) Reimbursement of full medical expenses for self and family.
Club fees	: Membership of two clubs (excluding life membership fees). All official expenses in connection with such membership incurred would be reimbursed by the Bank.
Conveyance & Telephone	: As per the Bank's Policy.
Personal Insurance	: As per the Bank's Policy.
Newspapers & Periodical	: As per requirement.
Entertainment	: Expenditure on official entertainment would be on the Bank's account.
Utility Bills	: To be reimbursed at actuals up to a limit of ₹ 1,32,000 p.a.
Furnishing Allowance	: Reimbursement at actuals up to a limit of ₹ 15,00,000 for every 3 years.
Car	: As per the Bank's policy.
Leave	: As per the Bank's Rules.
Stock Options	: Stock Options as may be decided by the Nomination and Remuneration Committee, from time to time, subject to the approval of the Reserve Bank of India.
Variable Pay	: As may be decided by the Nomination and Remuneration Committee/ Board, subject to the approval of the Reserve Bank of India.
Loans	: Loan facilities to be provided as per the Bank's policy, at the rate of interest applicable to other employees.
Other terms	: As per the Bank's staff rules and as may be agreed by the Board, from time to time."

**"RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution."

12. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules made thereunder (the **"Act"**), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (the **"SEBI ILDS Regulations"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI Listing Regulations"**), the applicable provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (**"RBI"**) and/or the Securities and Exchange Board of India (the **"SEBI"**), in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force) and the relevant provisions of the Memorandum of Association and the Articles of Association of Axis Bank Limited (the **"Bank"**) and subject to receipt of such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), approval of the Members of the Bank be and is hereby accorded for borrowing/raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities including, but not limited to, long term bonds, green bonds, non-convertible debentures, perpetual debt instruments and Tier II Capital Bonds or such other debt securities as may be permitted under the RBI guidelines, from time to time, on a private placement basis and/or for making offers and/or invitations thereof, and/or issue(s)/issuances thereof, on a private placement basis, for a period of one (1) year from the date hereof, in one (1) or more tranches and/or series and/or under one (1) or more shelf disclosure documents and/or one (1) or more letters of offer, and on such terms and conditions for each series/tranches, including the

price, coupon, premium, discount, tenor etc. as deemed fit by the Board of Directors of the Bank (hereinafter referred to as the “**Board**”, which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), as per the structure and within the limits permitted by the RBI, upto an amount of ₹ 35,000 crore (Rupees Thirty Five Thousand crore only) in domestic and/or overseas market, within the overall borrowing limits of the Bank.”

“**RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution.”

13. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of the Sections 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder (the “**Act**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”), the applicable provisions of the Banking Regulation Act, 1949 and the rules, guidelines and circulars issued by the Reserve Bank of India (“**RBI**”), in this regard, from time to time, any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force) and the provisions of the Articles of Association of Axis Bank Limited (the “**Bank**”), each of the Non-Executive Directors of the Bank [excluding the Non-Executive (Part-Time) Chairman] in addition to sitting fees being paid/payable to them for attending the meetings of the Board of Directors of the Bank or Committee(s) thereof, be entitled to be paid every year, for a period of five (5) years, with effect from 1<sup>st</sup> April 2020, a profit related commission of an amount not exceeding ₹10 lacs or such higher amount as may be prescribed by the RBI, from time to time, and as may be determined by the Board of Directors of the Bank, subject to an overall ceiling of 1% (one percent) of the net profits of the Bank (computed in the manner referred to under Section 198 of the Act).”

“**RESOLVED FURTHER THAT** the Directors of the Bank be and are hereby severally authorized to execute all such agreements, documents, instruments and writings as deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as he/she may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this Resolution.”

By Order of the Board

Girish V. Koliyote  
Company Secretary  
ACS 14285

Place: Mumbai  
Date: 22<sup>nd</sup> May 2019

**Axis Bank Limited**

CIN: L65110GJ1993PLC020769

**Registered Office:**

‘Trishul’, 3<sup>rd</sup> Floor,  
Opp. Samartheshwar Temple,  
Law Garden, Ellisbridge,  
Ahmedabad – 380 006, Gujarat.  
Website: [www.axisbank.com](http://www.axisbank.com)  
Phone No. : +91 – 79 – 6630 6161  
Fax No. : +91 – 79 – 2640 9321  
Email: [shareholders@axisbank.com](mailto:shareholders@axisbank.com)

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE BANK. THE INSTRUMENTS APPOINTING PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE BANK NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Registered Office of the Bank a certified copy of the latest Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Meeting on their behalf.
3. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.
5. A person appointed as Proxy shall act on behalf of not more than fifty (50) Members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Bank carrying voting rights. However, a Member holding more than 10% of the total share capital of the Bank carrying voting rights may appoint a single person as a Proxy and such Person shall not act as a Proxy for any other Person or Member.
6. Proxy in prescribed Form No. MGT-11, is enclosed herewith.
7. The Attendance at the Meeting will be regulated through the Attendance Slip and the same will be verified with the records maintained with the Bank. Members who hold shares in dematerialised form are requested to quote their DP ID and Client ID number(s) and those who hold shares in physical form are requested to quote their folio number(s) in the Attendance Slip to facilitate their identification at the Meeting.
8. The relevant statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013, read with relevant rules (the "Act"), setting out material facts and reasons in respect of Item Nos. 4 to 13 of this Notice, is annexed herewith.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Bank will remain closed from **Saturday, 6<sup>th</sup> July 2019 up to Saturday, 20<sup>th</sup> July 2019 (both days inclusive)**, for the purpose of the 25<sup>th</sup> Annual General Meeting of the Bank and payment of dividend.

In accordance with the provisions of Section 123 of the Companies Act, 2013, the dividend for the financial year ended 31<sup>st</sup> March 2019 as recommended by the Board of Directors of the Bank, if approved by the Members at the Meeting, would be paid to those Members whose names appear in the Register of Members of the Bank/the Statements of Beneficial Ownership maintained by the Depositories, as at the close of business hours on **Friday, 5<sup>th</sup> July 2019**. Remittance of the said dividend through DCS/ECS and dispatch of the dividend warrants will commence from **Monday, 22<sup>nd</sup> July 2019** and is expected to be completed by **Wednesday, 31<sup>st</sup> July 2019**.

10. Members holding shares in physical form are requested to notify any change in their address, if any, to the Registrar and Share Transfer Agents, Karvy Fintech Private Limited, Hyderabad (Karvy) at their address mentioned below or to the Registered Office of the Bank, quoting their Folio number(s).
11. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their Bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP). Any changes effected by the DP will be automatically reflected in the record maintained by the Depositories.
12. Members may avail of the Nomination facility available under Section 72 of the Companies Act, 2013. The relevant Nomination Form can be downloaded from the website of the Bank or Members may write to the Bank at its Registered Office, for the same.

13. Members seeking any information with regard to the financial statements of the Bank are requested to write to the Bank at its Registered Office at an early date to enable the Management to clarify the same at the Meeting.
14. SEBI vide its circular dated 20<sup>th</sup> April 2018 has made it mandatory for the Bank to collect copy of Income Tax Permanent Account Number (PAN) and bank account details of all securities holders holding securities in physical form. Accordingly, all Shareholders holding shares in physical form are requested to submit to Karvy, the said documents duly attested.
15. In compliance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Bank will be sent by e-mail to those Members who have registered their email address with their DP (in case of electronic shareholding) or with Karvy (in case of physical shareholding).

We, therefore request the Members to register their email ID with their DP (in case of electronic shareholding) or with Karvy (in case of physical shareholding) mentioning your demat account / Folio no(s).

However, in case you wish to receive the above documents in physical form, you may write to Karvy at the address mentioned below or send an email to [axisgogreen@karvy.com](mailto:axisgogreen@karvy.com), mentioning your demat account / Folio no(s), to enable Karvy to record your decision and arrange to send physical copy of the said documents to your registered address, free of cost.

16. The Members may write to the Company Secretary at the Registered Office or to Karvy regarding transfer of shares held in physical form or for conveying their grievances, if any, at below mentioned addresses:

**Axis Bank Limited**

CIN: L65110GJ1993PLC020769

**Registered Office:**'Trishul', 3<sup>rd</sup> Floor,

Opp. Samaratheshwar Temple,

Law Garden, Ellisbridge,

Ahmedabad – 380 006, Gujarat.

Website: [www.axisbank.com](http://www.axisbank.com)

Phone No. : +91-79-6630 6161

Fax No. : +91-79-2640 9321

Email: [shareholders@axisbank.com](mailto:shareholders@axisbank.com)**Karvy Fintech Private Limited**

Unit: Axis Bank Limited

Karvy Selenium Tower B,

Plot 31-32, Gachibowli,

Financial District, Nanakramguda,

Hyderabad – 500 032.

Phone No. : 1800-345-4001 /+91-40-6716 2222

Fax No. : +91-40 – 2300 1153

Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)**Contact Persons:**

Shri M. R. V. Subrahmanyam, General Manager (RIS)

Smt. Varalakshmi, Assistant General Manager (RIS)

Shri G. Vasanth Rao Chowdhari, Manager (RIS)

## 17. Remote E-Voting:

- I. In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") and Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Bank is pleased to provide remote e-voting facility through Karvy, to enable its Members to cast their votes electronically on all the items as set out in this Notice. Remote e-voting is optional.
- II. The Bank has appointed Shri Nimai G. Shah (Membership No. 100932) Partner, Chandabhoy & Jassoobhoy, Chartered Accountants or failing him Shri Gautam N. Shah (Membership No. 012679) Partner, Chandabhoy & Jassoobhoy, Chartered Accountants as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
- III. The voting rights of the shareholders shall be in proportion of their shareholding to the total issued and paid up equity share capital of the Bank as on the cut-off date viz. **Saturday, 13<sup>th</sup> July 2019**, subject to the provisions of Section 12 of the Banking Regulation Act, 1949 and RBI Circular No. 97/16.13.100/2015-16 dated 12<sup>th</sup> May 2016.
- IV. A person who is not a Member as on the said cut-off date, will not be entitled to vote and should treat this Notice, for information purpose only.

V. The instructions for remote e-voting, are as under:

● **In case of Members receiving Notice by e-mail:**

- (i) Enter the login credentials (i.e., User ID & Password) mentioned in the e-mail, your Folio No. / DP ID & Client ID will be your USER ID. Please note that the password is an initial password.
- (ii) Use the following URL for remote e-voting:  
  
From Karvy website: <http://evoting.karvy.com>
- (iii) Shareholders of the Bank holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically.
- (iv) Enter the login credentials. Your Folio No/DP ID & Client ID will be your user ID.
- (v) After entering the details appropriately, click on LOGIN.
- (vi) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile number, email ID etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) You need to login again with the new credentials.
- (viii) On successful login, the system will prompt you to select the EVENT i.e., Axis Bank Limited.
- (ix) On the voting page, enter the number of shares as on the said cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially any number in AGAINST but the total number in FOR/ AGAINST taken together should not exceed your total shareholding, as on the said cut-off date. You may also choose the option ABSTAIN.
- (x) Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
- (xi) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the Resolution.
- (xii) Once the vote on the Resolution is cast by the Shareholder, he shall not be allowed to change it subsequently.
- (xiii) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cnjabd@vsnl.net](mailto:cnjabd@vsnl.net) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com) on or before **Friday, 19<sup>th</sup> July 2019**.
- (xiv) The remote e-voting period shall commence on **Tuesday, 16<sup>th</sup> July 2019** (9:00 A.M.) and will end on **Friday, 19<sup>th</sup> July 2019** (5.00 P.M.). During this period, Shareholders' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Saturday, 13<sup>th</sup> July 2019**, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently. Further, the Shareholders

who have cast their vote electronically may also attend the Meeting, however they shall not be able to vote again at the Meeting.

- (xv) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting User Manual for Shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Fintech Private Limited at Tel No. 1800 345 4001 (toll free).

● **In case of Members receiving Notice by Post/Courier:**

- (i) Initial password is provided, as below, in the attendance slip of the Meeting.

EVENT (E-Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow the steps stated at serial Nos. V (ii) to (xv) above, to cast your vote by electronic means.

- VI. Voting will also be conducted after conclusion of the Meeting by way of Poll, to enable any Shareholder who has not cast their vote through remote e-voting, in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended.
- VII. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Bank and submit not later than 48 hours of the conclusion of the Meeting i.e. not later than **Monday, 22<sup>nd</sup> July 2019**, a Consolidated Scrutinizer's Report of the total votes cast in favor and against, if any, to any one of the Directors duly authorized by the Board, in this regard, who shall countersign the same.
- VIII. The Results declared along with the Scrutinizer's Report will be communicated to the Stock Exchanges immediately after the said Results are declared by any one of the Directors duly authorized by the Board, in this regard, not later than **Monday, 22<sup>nd</sup> July 2019** and will be uploaded on the Bank's website i.e. [www.axisbank.com](http://www.axisbank.com) and Karvy's website i.e. [www.karvycomputershare.com](http://www.karvycomputershare.com). The Results will also be displayed at the Registered and Corporate Offices of the Bank in accordance with the Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India.
18. All documents referred to in this Notice and the Statements setting out material facts in respect of the Item nos. 4 to 13 of the Notice and other Statutory Registers are open for inspection by the Members at the Registered Office of the Bank from 11.00 a.m. to 1.00 p.m. on all working days except Saturdays, Sundays, Public Holidays and National Holidays, from the date hereof upto and including the date of this Meeting.
19. Route Map for the venue of the Meeting is attached herewith, for your ready reference.
20. The Bank is pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on the e-voting website of Karvy at <https://evoting.karvy.com> using their secure login credentials. Members are encouraged to use this facility of live webcast.

**By Order of the Board**

**Place: Mumbai**  
**Date: 22<sup>nd</sup> May 2019**

**Girish V. Koliyote**  
**Company Secretary**  
**ACS 14285**



**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS AS SET OUT IN ITEMS NOS. 4 TO 13 OF THIS NOTICE.**

**Item No. 4:**

As the current tenure of Dr. Sanjiv Misra, Non-Executive (Part-time) Chairman of the Bank, is due to expire on 17<sup>th</sup> July 2019 and as part of the succession planning process of the Bank, the Nomination and Remuneration Committee ("the **Committee**") of Directors of Axis Bank Limited (the "**Bank**") at its meeting held on 12<sup>th</sup> March 2019, considered and approved the appointment of Shri Rakesh Makhija, Independent Director, as the Non-Executive (Part-time) Chairman of the Bank, for a period of 3 (three) years, with effect from 18<sup>th</sup> July 2019 up to 17<sup>th</sup> July 2022 (both days inclusive) and the terms and conditions relating to the said appointment, including remuneration payable to Shri Rakesh Makhija, as the Non-Executive (Part-time) Chairman of the Bank and recommended the same for the approval of the Board of Directors (the "**Board**") of the Bank.

Pursuant to the said recommendation, the Board at its meeting held on 12<sup>th</sup> March 2019, had approved the said appointment and the terms and conditions in respect thereof, including remuneration, more particularly set out in Item No. 4 of this Notice, subject to the approval of the RBI and the Members of the Bank.

The Committee has determined that Shri Rakesh Makhija is a fit and proper person to be appointed as a director of the Bank and as the Non-Executive (Part-time) Chairman of the Bank, as per the norms prescribed by the Reserve Bank of India (the "**RBI**"). The Bank has also received a declaration from Shri Rakesh Makhija that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act 2013 (the "**Act**") and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"). The Board has established the veracity of the said declaration as provided by Shri Rakesh Makhija and based on the said declaration submitted by him, the Board has opined that Shri Rakesh Makhija is independent from the Management. During the said tenure, Shri Rakesh Makhija shall not be liable to retire by rotation, in terms of the provisions of Section 149(13) of the Act.

Shri Rakesh Makhija is not disqualified from being appointed as a Director, in terms of Section 164 of the Act and has given his consent to act as a Director of the Bank. In the opinion of the Board, he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the SEBI Listing Regulations, the Banking Regulation, Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

Shri Rakesh Makhija has the requisite qualifications, skills, experience and expertise in specific functional areas, which are beneficial to the Bank. The brief profile of Shri Rakesh Makhija, in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, have been provided after this Notice.

As on 31<sup>st</sup> March 2019, Shri Rakesh Makhija does not hold any equity shares of the Bank. Shri Rakesh Makhija is not related to any other Director or Key Managerial Personnel of the Bank.

The Board recommends passing of the Ordinary Resolution as set out in Item No. 4 of this Notice, for the approval of the Members.

Except for Shri Rakesh Makhija and his relatives, none of the other Directors or the Key Managerial Personnel of the Bank and their relatives are in any way financially or otherwise concerned or interested in the passing of this Ordinary Resolution as set out in Item No. 4 of this Notice.

**Item No. 5:**

Pursuant to the recommendation of the Nomination and Remuneration Committee ("the **Committee**") of the Directors of Axis Bank Limited ("the **Bank**"), the Board of Directors ("the **Board**") at its meeting held on 9<sup>th</sup> July 2018, shortlisted the candidature of Shri Amitabh Chaudhry for the post of the Managing Director & CEO of the Bank, with effect from 1<sup>st</sup> January 2019 and recommended the same for the approval of the Reserve Bank of India ("**RBI**"). Thereafter, the RBI granted its approval to the appointment of Shri Amitabh Chaudhry as the Managing Director & CEO, of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> January 2019 upto 31<sup>st</sup> December 2021 (both days inclusive) and to the terms and conditions relating to the said appointment, including remuneration.

In order to facilitate smooth transition and help Shri Amitabh Chaudhry familiarize with the business and operations of the Bank, the Board at its meeting held on 2<sup>nd</sup> November 2018, approved the appointment of Shri Amitabh Chaudhry, as the Managing Director (Designate) in executive position of the Bank, with effect from 19<sup>th</sup> November 2018 upto 31<sup>st</sup> December 2018 (both days inclusive).

Thereafter, pursuant to the recommendation of the Committee, the Board at its meeting held on 8<sup>th</sup> December 2018, approved the appointment of Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> January 2019 up to 31<sup>st</sup> December 2021 (both days inclusive) on the terms and conditions, including remuneration, as approved by the RBI. The said appointment of Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank and the terms and conditions in respect thereof, including remuneration was also approved by the Shareholders of the Bank, through Postal Ballot on 17<sup>th</sup> January 2019.

Basis the outcome of the performance evaluation conducted by the Committee and in line with the Comprehensive Remuneration Policy of the Bank, the Committee at its meeting held on 14<sup>th</sup> May 2019, reviewed the remuneration being paid to Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank, in comparison with the remuneration of the CEOs of other peer group banks, and recommended a revision in the remuneration by way of salary, allowance and perquisites payable to Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank, for the approval of the Board.

Pursuant to the said recommendation, the Board at its meeting held on 22<sup>nd</sup> May 2019, considered and approved the revision in the remuneration by way of salary, allowance and perquisites payable to Shri Amitabh Chaudhry as the Managing Director & CEO of the Bank, with effect from 1<sup>st</sup> April 2019, more particularly set out in Item No. 5 of this Notice, subject to the approval of the RBI and the Members of the Bank.

The brief profile of Shri Amitabh Chaudhry, in terms of the Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, and details of his remuneration last drawn, have been provided after this Notice.

As on 31<sup>st</sup> March 2019, Shri Amitabh Chaudhry does not hold any equity shares in the Bank. Shri Amitabh Chaudhry is not related to any other Directors or Key Managerial Personnel of the Bank.

The Board recommends passing of the Ordinary Resolution, as set out in Item No. 5 of this Notice, for the approval of the Members.

Except for Shri Amitabh Chaudhry and his relatives, none of the other Directors and the Key Managerial Personnel of the Bank and their relatives, are in any way financially or otherwise concerned or interested in the passing of the Ordinary Resolution, as set out in Item No. 5 of this Notice.

#### **Item Nos. 6 and 7:**

Shri Rajiv Anand was appointed as the Executive Director (Retail Banking) of Axis Bank Limited ("the **Bank**"), for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2016, in terms of the approvals granted by the Reserve Bank of India ("**RBI**") and the Members of the Bank.

Pursuant to Shri V. Srinivasan's retirement as the Deputy Managing Director of the Bank, with effect from the close of business hours on 20<sup>th</sup> December 2018 and considering Shri Rajiv Anand's wealth of experience in capital markets which led to rapid growth in the Retail businesses of the Bank and his leadership in building a retail franchise and as part of the succession planning process of the Bank, the Nomination and Remuneration Committee ("the **Committee**") of the Directors of the Bank felt that Shri Rajiv Anand was the best candidate to pivot the Wholesale Banking business of the Bank to gain market leadership position and to drive this change. Accordingly, Shri Rajiv Anand assumed charge as the Executive Director (Wholesale Banking) of the Bank, with effect from 21<sup>st</sup> December 2018, on the same terms and conditions relating to his appointment as the Executive Director (Retail Banking), including remuneration, as approved by the RBI and Members of the Bank. The current tenure of Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank, will expire at the close of the business hours on 3<sup>rd</sup> August 2019.

Considering the remuneration trends in peer private sector banks and basis the outcome of the performance evaluation, the Committee at its meeting held on 14<sup>th</sup> May 2019, considered and approved revision in the remuneration by way of salary, allowance and perquisites payable to Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank, for the remainder of his existing term i.e. from 1<sup>st</sup> April 2019 upto 3<sup>rd</sup> August 2019 (both days inclusive) and recommended the same for the approval of the Board. The Committee also considered and approved his re-appointment as the Executive Director (Wholesale Banking) of the Bank, for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 up to 3<sup>rd</sup> August 2022 (both days inclusive) on the same terms and conditions, including remuneration and recommended the same for the approval of the Board of Directors ("the **Board**") of the Bank.

The Committee has determined that Shri Rajiv Anand is a fit and proper person to be re-appointed as a Director of the Bank, as per the norms prescribed by the Reserve Bank of India (the "**RBI**"). During his tenure, Shri Rajiv Anand shall be liable to retire by rotation, in terms of the provisions of Section 152(6) of the Companies Act 2013 (the "**Act**").

Shri Rajiv Anand is not disqualified from being appointed as a Director, in terms of Section 164 of the Act and has given his consent to act as a Director of the Bank. In the opinion of the Board, he fulfils the conditions for the said re-appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Banking Regulation, Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

Pursuant to the recommendation of the Committee, the Board at its meeting held on 22<sup>nd</sup> May 2019, considered and approved revision in the remuneration by way of salary, allowance and perquisites payable to Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank for the remainder of his existing term as aforesaid and the re-appointment of Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank, for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 up to 3<sup>rd</sup> August 2022 (both days inclusive) on the same terms and conditions including remuneration, more particularly set out in Item Nos. 6 and 7 of this Notice, subject to the approval of the RBI and the Members of the Bank.

Shri Rajiv Anand has the requisite qualification, skills, experience and expertise in specific functional areas, which are beneficial to the Bank. The brief profile of Shri Rajiv Anand, in terms of the Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, and details of his remuneration last drawn, have been provided after this Notice.

As on 31<sup>st</sup> March 2019, Shri Rajiv Anand held 3,76,069 equity shares of ₹ 2/- each of the Bank, allotted to him under various employee stock option scheme(s) of the Bank. Shri Rajiv Anand is not related to any other Directors or Key Managerial Personnel of the Bank.

The Board recommends passing of the Ordinary Resolutions, as set out in Item Nos. 6 and 7 of this Notice, for the approval of the Members.

Except for Shri Rajiv Anand and his relatives, none of the other Directors and the Key Managerial Personnel of the Bank and their relatives, are in any way financially or otherwise concerned or interested in the passing of the Ordinary Resolution, as set out in Item Nos. 6 and 7 of this Notice.

#### **Item Nos. 8 and 9:**

Shri Rajesh Dahiya was appointed as the Executive Director (Corporate Centre) of Axis Bank Limited ("the **Bank**"), for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2016, in terms of the approval granted by the Reserve Bank of India ("**RBI**") and the Members of the Bank. The current term of Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank, will expire at the close of the business hours on 3<sup>rd</sup> August 2019.

Pursuant to the outcome of the performance evaluation conducted by the Nomination and Remuneration Committee ("the **Committee**") of the Directors of the Bank and as part of the succession planning process of the Bank, the Committee felt that Shri Rajesh Dahiya has effectively managed the broader role as Head - Corporate Centre and the set of diverse Portfolios which included Internal Audit, Human Resources, Compliance, Company Secretary, Corporate Affairs, Administration, Corporate Real Estate Services, Chief Business Relations Officer (CBRO), Financial Crime Management, Law and Retail & Wholesale Banking Operations. In addition, Shri Rajesh Dahiya also oversees the functioning of the Axis Bank Foundation.

Considering the remuneration trends in peer private sector banks and basis the outcome of the performance evaluation, the Committee at its meeting held on 14<sup>th</sup> May 2019, considered and approved revision in the remuneration by way of salary, allowance and perquisites payable to Shri Rajesh Dahiya as the Executive Director (Corporate Centre) of the Bank, for the remainder of his existing term i.e. from 1<sup>st</sup> April 2019 upto 3<sup>rd</sup> August 2019 (both days inclusive) and recommended the same for the approval of the Board. The Committee also considered and approved his re-appointment as the Executive Director (Corporate Centre) of the Bank, for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 up to 3<sup>rd</sup> August 2022 (both days inclusive) on the same terms and conditions, including remuneration and recommended the same for the approval of the Board of Directors ("the **Board**") of the Bank.

The Committee has determined that Shri Rajesh Dahiya is a fit and proper person to be re-appointed as a Director of the Bank, as per the norms prescribed by the Reserve Bank of India (the "**RBI**"). During his tenure, Shri Rajesh Dahiya shall be liable to retire by rotation, in terms of the provisions of Section 152(6) of the Companies Act 2013 (the "**Act**").

Shri Rajesh Dahiya is not disqualified from being appointed as a Director, in terms of Section 164 of the Act and has given his consent to act as a Director of the Bank. In the opinion of the Board, he fulfils the conditions for the said re-appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Banking Regulation, Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

Pursuant to the recommendation of the Committee, the Board at its meeting held on 22<sup>nd</sup> May 2019, considered and approved revision in the remuneration by way of salary, allowance and perquisites payable to Shri Rajesh Dahiya as the Executive Director (Corporate Centre) of the Bank for the remainder of his existing term as aforesaid and the re-appointment of Shri Rajesh Dahiya as the Executive Director (Corporate Centre) of the Bank, for a period of 3 (three) years, with effect from 4<sup>th</sup> August 2019 up to 3<sup>rd</sup> August 2022 (both days inclusive) on the same terms and conditions including remuneration, more particularly set out in Item Nos. 8 and 9 of this Notice, subject to the approval of the RBI and the Members of the Bank.

Shri Rajesh Dahiya has the requisite qualification, skills, experience and expertise in specific functional areas, which are beneficial to the Bank. The brief profile of Shri Rajesh Dahiya, in terms of the Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, and details of his remuneration last drawn, have been provided after this Notice.

As on 31<sup>st</sup> March 2019, Shri Rajesh Dahiya does not hold any equity shares in the Bank. Shri Rajesh Dahiya is not related to any other Directors or Key Managerial Personnel of the Bank.

The Board recommends passing of the Ordinary Resolutions, as set out in Item Nos. 8 and 9 of this Notice, for the approval of the Members.

Except for Shri Rajesh Dahiya and his relatives, none of the other Directors and the Key Managerial Personnel of the Bank and their relatives, are in any way financially or otherwise concerned or interested in the passing of the Ordinary Resolutions, as set out in Item Nos. 8 and 9 of this Notice.

#### **Item Nos. 10 and 11:**

Shri Rajiv Anand assumed charge as the Executive Director (Wholesale Banking) of the Bank, with effect from 21<sup>st</sup> December 2018. Pursuant to the change in the organisation structure of the Bank and as part of the succession planning process of the Bank, the Nomination and Remuneration Committee ("the **Committee**") of Directors of Axis Bank Limited ("the **Bank**"), at its meeting held on 26<sup>th</sup> March 2019, recommended the appointment of Shri Pralay Mondal, as the Group Executive (Retail Banking) of the Bank, with effect from 1<sup>st</sup> April 2019, for the approval of the Board, which was duly approved by the Board at its meeting held on 26<sup>th</sup> April 2019.

Considering Shri Pralay Mondal's vast experience of over 30 years in retail banking, business banking, products and technology and given the fact that Shri Pralay Mondal would be managing a set of diverse Portfolios, which includes Branch Banking, Retail Lending, Cards and Acquiring, Affluent, NRI Business & Retail Forex, Liabilities Product and Digital Banking, Marketing, Retail

Underwriting and Collections, the Committee at its meeting held on 14<sup>th</sup> May 2019, felt that it would be in the business interest of the Bank to appoint Shri Pralay Mondal as the Executive Director (Retail Banking) of the Bank. Accordingly, the Committee considered and approved the appointment of Shri Pralay Mondal as a Director of the Bank and as the Whole Time Director designated as the 'Executive Director (Retail Banking) of the Bank, for a period of 3 (three) years, with effect from 1<sup>st</sup> August 2019 up to 31<sup>st</sup> July 2022 (both days inclusive) and the terms and conditions relating to the said appointment, including remuneration and recommended the same for the approval of the Board of Directors ("the **Board**") of the Bank.

The Committee has determined that Shri Pralay Mondal is a fit and proper person to be appointed as a Director of the Bank, as per the norms prescribed by the Reserve Bank of India (the "**RBI**"). During his tenure, Shri Pralay Mondal shall be liable to retire by rotation, in terms of the provisions of the Section 152(6) of the Act.

Since the said appointment has been recommended by the Committee, the requirement of submission of a Notice by a Member proposing the candidature of Shri Pralay Mondal as a Director of the Bank, under the provisions of Section 160 of the Companies Act, 2013 (the "**Act**"), is not applicable.

Shri Pralay Mondal is not disqualified from being appointed as a Director, in terms of Section 164 of the Act and has given his consent to act as a Director of the Bank. In the opinion of the Board, he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

Pursuant to the recommendation of the Committee, the Board at its meeting held on 22<sup>nd</sup> May 2019, considered and approved the appointment of Shri Pralay Mondal as a Director of the Bank and as the Whole Time Director designated as the "Executive Director (Retail Banking)" of the Bank and the terms and conditions relating to the said appointment, including remuneration by way of salary, allowance and perquisites payable to Shri Pralay Mondal as the Executive Director (Retail Banking) of the Bank, more particularly set out in Item Nos. 10 and 11 of this Notice, subject to the approval of the RBI and the Members of the Bank.

Shri Pralay Mondal has the requisite qualification, skills, experience and expertise in specific functional areas, which are beneficial to the Bank. The brief profile of Shri Pralay Mondal, in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, and details of his remuneration last drawn, have been provided after this Notice.

As on 31<sup>st</sup> March 2019, Shri Pralay Mondal does not hold any equity shares of the Bank. Shri Pralay Mondal is not related to any other Directors or Key Managerial Personnel of the Bank.

The Board recommends passing of the Ordinary Resolutions, as set out in Item Nos. 10 and 11 of this Notice, for the approval of the Members.

None of the Directors and the Key Managerial Personnel of the Bank and their relatives, are in any way financially or otherwise concerned or interested in the passing of the Ordinary Resolutions, as set out in Item Nos. 10 and 11 of this Notice.

**Item No. 12:**

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company can issue securities, including but not limited to non-convertible debentures ("**NCDs**"), on a private placement basis, subject to the condition that the proposed offer of debt securities or invitation to subscribe to debt securities has been previously approved by the Members of the company, by means of a special resolution, for each of the offers or invitations. It further provides that in case of an offer or invitation for NCDs, it shall be sufficient if the company passes a special resolution only once in a year for all offer(s) or invitation(s) for issue of such NCDs on a private placement basis, during the period of one (1) year, from the date of passing of such special resolution.

Keeping in view the projections of the Bank in domestic and overseas operations, the Bank may need to raise additional funds in one or more tranches in Indian as well as overseas market in the form of capital to maintain the desired capital to risk weighted

assets ratio (CRAR) by issue of debt securities denominated in Indian rupees or any other permitted foreign currency (including but not limited to long term bonds, green bonds, masala bonds, non-convertible debentures, perpetual debt instruments and Tier II capital bonds or such other debt securities as may be permitted by the Reserve Bank of India ("RBI") in this regard, from time to time), on a private placement basis and/or for making offers and/or invitations thereof and /or issue(s)/ issuances thereof, on a private placement basis, during the period of one (1) year, from the date of passing of this special resolution.

Considering the above, the Board of Directors of the Bank at its meeting held on 26<sup>th</sup> April 2019 has proposed to obtain the consent of the Members of the Bank for borrowing/raising funds in Indian currency/ foreign currency by issue of debt securities (including, but not limited to, long term bonds, green bonds, masala bonds, non-convertible debentures, perpetual debt instruments and Tier II capital bonds or such other debt securities as may be permitted under the RBI guidelines issued in this regard, from time to time) in domestic and/ or overseas market, in one (1) or more tranches as per the structure and within the limits permitted by the RBI and other regulatory authorities to eligible investors of an amount not exceeding ₹ 35,000 crore, on a private placement basis, during a period of one (1) year from the date of passing of the special resolution. The said debt securities would be issued by the Bank in accordance with the applicable statutory guidelines, for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions, rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the domestic or overseas market, investor appetite for such instruments etc., as would be approved by the Board or Committee of the Board. The said limit of ₹ 35,000 crore shall be within the overall borrowing limit of ₹ 200,000 crore as approved by the Members of the Bank at the 24<sup>th</sup> Annual General Meeting of the Bank held on 20<sup>th</sup> June 2018.

The Board recommends passing of the Special Resolution, as set out in Item No. 12 of this Notice.

None of the Directors and Key Managerial Personnel of the Bank and their relatives are in any way financially or otherwise concerned or interested in the passing of the Special Resolution, as set out in Item No. 12 of this Notice.

**Item No. 13:**

The Reserve Bank of India (the "RBI") vide circular no. RBI/2014-15/617/DBR.NO.BC.97/29.67.001/2014-15 dated 1<sup>st</sup> June, 2015 had issued guidelines on compensation for Non-Executive Directors (NED) (other than Non-Executive Chairman) of Private Sector Banks.

In terms of the said RBI Circular, the Board of Directors ("the **Board**") of the Bank in consultation with the Nomination & Remuneration Committee ("the **Committee**") of Directors of Axis Bank Limited ("the **Bank**"), formulated and adopted a Comprehensive Remuneration Policy for its Non-Executive Directors ("**NED**"), in compliance with the relevant provisions of the Companies Act, 2013. In terms of the said Policy, compensation can be paid to each NED of the Bank (other than Non-Executive Chairman) in the form of profit related commission, subject to the Bank making profits and within the overall limit of ₹ 10 lacs p.a.

In terms of the said RBI Circular and the Comprehensive Remuneration Policy of the Bank, the Members of the Bank at the 22<sup>nd</sup> Annual General Meeting held on 22<sup>nd</sup> July 2016, had approved the payment of profit related commission of an amount not exceeding ₹ 10 lacs, to be paid to each of the NEDs of the Bank (excluding Non-Executive (Part-time) Chairman). The profit related commission was approved to be paid every year, subject to the Bank making profits, for a period of five (5) years, with effect from 1<sup>st</sup> April 2015. The profit related commission would be payable in addition to sitting fees being paid/payable to them for attending the meetings of the Board / Committee(s) thereof.

The Board at its meeting held 26<sup>th</sup> April 2019, had considered and approved the payment of profit related commission of an amount not exceeding ₹10 lacs to be paid every year [subject to an overall ceiling of 1% (one percent) of the net profits of the Bank computed in the manner referred to under Section 198 of the Act], for a further period of five (5) years, with effect from 1<sup>st</sup> April 2020, to the NEDs of the Bank [excluding Non-Executive (Part-Time) Chairman], subject to the outcome of their performance evaluation and availability of profits every year, in addition to the sitting fees being paid/payable to them for attending the meetings of the Board or Committee(s) thereof, subject to the approval of the Members of the Bank.

Accordingly, the approval of the Members of the Bank is sought by means of an Ordinary Resolution as set out in Item No. 13 of this Notice.

The Board recommends passing of the Ordinary Resolution as set out in Item No. 13 of this Notice.

Except for the NEDs (other than the Non-Executive (Part-time) Chairman) of the Bank and their relatives, none of the other Directors nor the Key Managerial Personnel of the Bank and their relatives are in any way, concerned or interested, financially or otherwise, in the passing of this Ordinary Resolution.

**By Order of the Board**

**Girish V. Koliyote**  
Company Secretary  
ACS 14285

**Place: Mumbai**

**Date: 22<sup>nd</sup> May 2019**

**Axis Bank Limited**

CIN: L65110GJ1993PLC020769

**Registered Office:**

'Trishul', 3<sup>rd</sup> Floor, Opp. Samartheshwar Temple,  
Law Garden, Ellisbridge,  
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Email: [shareholders@axisbank.com](mailto:shareholders@axisbank.com)

**BRIEF PROFILE OF DIRECTORS BEING APPOINTED/RE-APPOINTED OR WHOSE REMUNERATION IS BEING REVISED, AS SET OUT IN THIS NOTICE, IN TERMS OF THE REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS-2), ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA.**

**Smt. Usha Sangwan**

Smt. Usha Sangwan, 60 years, is a Non-Executive (Nominee) Director of the Bank since 17<sup>th</sup> October 2013.

Smt. Usha Sangwan, was the first ever woman Managing Director of Life Insurance Corporation of India (LIC), since its incorporation in 1956. Smt. Usha Sangwan, retired as the Managing Director of LIC w.e.f. 30<sup>th</sup> September 2018, though she continues to be the nominee of LIC on the Board of the Bank. She is Post Graduate in Economics, Post Graduate Diploma holder in Human Resource Management and Licentiate from the Insurance Institute of India. She joined LIC as Direct Recruit Officer in 1981.

Smt. Usha Sangwan has worked in all core areas of Life Insurance. She has a vast operational and Board level experience of Financial Sector including Banking, Housing Finance, Stock Exchange, Cards, Mutual Funds, General Insurance and Reinsurance. Within Life Insurance, she has experience in Marketing and Product Development, Investments (Operations, Monitoring and Accounting, Risk Management and Research), Personnel, Product Development, Information technology, Customer Relationship Management, HRD/OD, Training, Direct Marketing, Corporate Communication, Corporate Planning, Board Sectt., Estate Management, Engineering, Finance and Accounts, Marketing all Channels, Group Business, New Business and Reinsurance, Actuarial, Social Media Management, International Operations, Legal, RTI, Audit, Inspection and Mission Office for Digital India. Her expertise lies in analytics, strategy, execution, people skill, customer centricity, use of technology particularly in marketing and servicing and setting up of systems.

Smt. Usha Sangwan is presently a Member of the Risk Management Committee, the Special Committee of the Board of Directors for Monitoring of Large Value Frauds and the Customer Service Committee of Directors of the Bank.

The details of attendance of Smt. Usha Sangwan at the meetings of the Board and the said Committees, during the FY 2018-19, are as under:

Particulars	FY 2018-19
Board of Directors	7/12
Risk Management Committee (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	1/2
Special Committee for Monitoring of Large Value Frauds (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	0/1
Customer Service Committee (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	0/0

Smt. Usha Sangwan was holding executive position as Managing Director of LIC, the largest insurance company in India and the promoter of the Bank, upto 30<sup>th</sup> September 2018. During that period, she was actively engaged in the business and operations of LIC. At the same time, she was also representing LIC on the Board of various group companies of LIC and other listed entities. As such, she was able to attend fewer meetings of the Board and Committees of the Bank. She had requested and was granted leave of absence for the meetings which she could not attend.

Smt. Usha Sangwan was paid sitting fees of ₹ 1,00,000 for every meeting of the Board and ₹ 50,000 for every meeting of the Committees of the Board attended by her. Sitting fees paid for meetings attended by her upto 30<sup>th</sup> September 2018, have been credited to the designated bank account of LIC. Further, the sitting fees paid for meetings attended by her after 30<sup>th</sup> September 2018, being the date of her retirement from the services of LIC have been credited to her designated bank account.



The details of directorships held by Smt. Usha Sangwan in other companies, are as under:

Sr. No.	Name of the Company	Nature of interest
1	BSE Ltd	Director
2	Grasim Industries Limited	Director

The details of Membership/Chairmanships held by Smt. Usha Sangwan in Committees of other companies, are as under:

Sr. No.	Name of the Company	Name of the Committee	Nature of interest
1	BSE Limited	Audit Committee	Member
		Stakeholder Relationship/Share Allotment Committee	Chairperson

### Shri Rakesh Makhija

Shri Rakesh Makhija, 67 years is an Engineer from the Indian Institute of Technology, New Delhi.

Shri Rakesh Makhija is an Independent Director on the Board of Axis Bank Limited since 27<sup>th</sup> October 2015. Shri Rakesh Makhija is also a Director on the Board of Tata Technologies Limited, Tata Marcopolo Motors Limited and A.TREDS Limited.

During his career spanning over four decades, Shri Rakesh Makhija has been an active contributor to the Industrial and Technology sectors, both internationally and in India. Shri Rakesh Makhija has held a number of top management positions within the SKF Group. He was the President for the Industrial Market (Strategic Industries) and a member of the Group Executive Committee, based in Gothenburg, Sweden. Prior to this, he was President of SKF Asia with overall responsibility for China and India based in Shanghai. He was the Managing Director of SKF India from 2002 till 2009. He was recipient of the prestigious 'CNBC Business Leader Award for Talent Management' in 2007.

Prior to joining SKF, Shri Rakesh Makhija was the CEO and Managing Director of Tata Honeywell Limited. He was subsequently appointed as the Country Manager and Managing Director of Honeywell International, with responsibilities for company's business in South Asia. Prior to Honeywell, Shri Rakesh Makhija worked with Kinetics Technology International BV (now Technip), a process engineering and contracting company in the Netherlands for over eight years.

Shri Rakesh Makhija is presently the Chairman of the Nomination and Remuneration Committee and a Member of the Audit Committee, the Special Committee of the Board of Directors for Monitoring of Large Value Frauds and the Acquisition, Divestment and Merger Committee of Directors of the Bank.

The details of attendance of Shri Rakesh Makhija at the meetings of the Board and the said Committees, during the FY 2018-19, are as under:

Particulars	FY 2018-19
Board of Directors	12/12
Audit Committee	18/18
Nomination and Remuneration Committee	15/16
Special Committee for Monitoring of Large Value Frauds	7/7
Acquisition, Divestment and Merger Committee	3/3

Shri Rakesh Makhija was paid sitting fees of ₹ 1,00,000 for every meeting of the Board and ₹ 50,000 for every meeting of the Committee of the Board attended by him.

The details of directorships held by Shri Rakesh Makhija in other companies, are as under:

Sr. No.	Name of the Company	Nature of interest
1	Tata Technologies Limited	Director
2	A.TREDS Limited	Director
3	Tata Marcopolo Motors Ltd	Director

The details of Membership/Chairmanships held by Shri Rakesh Makhija in Committees of other companies, are as under:

Sr. No.	Name of the Company	Name of the Committee	Nature of interest
1	Tata Technologies Limited	Audit Committee	Member
2	A.TREDS Limited	Audit Committee	Chairman
3	Tata Marcopolo Motors Ltd	Audit Committee	Member

### Shri Amitabh Chaudhry

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

Shri Amitabh Chaudhry is an Engineer from the Birla Institute of Technology & Science, Pilani and is an alumnus of Indian Institute of Management, Ahmedabad.

Shri Amitabh Chaudhry started his career with Bank of America in 1987, where he worked in diverse roles ranging from Head of Technology Investment Banking for Asia, Regional Finance Head for Wholesale Banking and Global Markets and Chief Finance Officer (Bank of America, India). Shri Amitabh Chaudhry moved to Credit Lyonnais Securities in 2001, where he headed their Investment Banking Franchise in South East Asia and Structured Finance practice for Asia. Prior to joining HDFC Life, Shri Amitabh Chaudhry was the Managing Director & CEO of Infosys BPO Ltd. and the head of testing unit of Infosys Technologies Limited.

Shri Amitabh Chaudhry assumed charge as the Managing Director & CEO of the Bank w.e.f. 1<sup>st</sup> January 2019. Consequently, Shri Amitabh Chaudhry was appointed as the Chairman of the Review Committee and the Committee of Whole Time Directors and inducted as a Member of the Committee of Directors, the Risk Management Committee, the Special Committee of the Board of Directors for Monitoring of Large Value Frauds, the IT Strategy Committee, the Acquisition, Divestment and Merger Committee and the Customer Service Committee of Directors of the Bank, with effect from 1<sup>st</sup> January 2019.

The details of attendance of Shri Amitabh Chaudhry at the meetings of the Board and the said Committees, w.e.f. 1<sup>st</sup> January 2019 upto 31<sup>st</sup> March 2019, are as under:

Particulars	FY 2018-19
Board of Directors	3/3
Committee of Directors	4/4
Risk Management Committee	2/2
Special Committee of the Board of Directors for Monitoring of Large Value Frauds	2/2
Customer Service Committee	1/1
Committee of Whole Time Directors	4/4
Acquisition, Divestment and Merger Committee	1/1
IT Strategy Committee	1/1
Review Committee	1/1

The details of directorships held by Shri Amitabh Chaudhry in other companies, are as under:

Sr. No.	Name of the Company	Nature of interest
1	Axis Finance Limited	Chairman
2	Axis Capital Limited	Chairman
3	Axis Asset Management Company Limited	Chairman

Shri Amitabh Chaudhry does not hold Committee Membership/Chairmanships in other companies.

The details of the remuneration last drawn by Shri Amitabh Chaudhry, as the Managing Director & CEO of the Bank, as approved by the RBI and the Members of the Bank, are as under:

Salary	: ₹ 3,60,00,000 p.a.
Leave fare Concession	: ₹ 10,00,000 p.a.
House Rent allowance	: ₹ 1,00,00,000 p.a. (In lieu of Bank's owned/leased accommodation)

All other terms and conditions including perquisites and other allowances being paid to Shri Amitabh Chaudhry, as the Managing Director & CEO of the Bank, remain unchanged and are in terms of the Comprehensive Remuneration Policy of the Bank.

### Shri Rajiv Anand

Shri Rajiv Anand, 53 years, joined the Bank on 1<sup>st</sup> May 2013 from its Asset Management arm, Axis Asset Management Co. Ltd., where he was the Managing Director & CEO.

Shri Rajiv Anand is a Commerce graduate and a Chartered Accountant by qualification.

He was appointed as the President (Retail Banking) and was thereafter elevated as the Group Executive (Retail Banking) of the Bank in 2014. He was appointed as the Executive Director (Retail Banking) of the Bank, for a period of 3 (three) years, w.e.f. 4<sup>th</sup> August 2016. Subsequently, he took over as the Executive Director (Wholesale Banking) of the Bank, with effect from 21<sup>st</sup> December 2018.

Over a career spanning more than 28 years, Shri Rajiv Anand has focused on various facets of the financial services industry having held key management positions at leading global financial institutions. He has also been very successful as a debt fund manager and has won several accolades for the same. He brings strength in capital markets and building new businesses to his responsibilities at the Bank.

Shri Rajiv Anand is presently a Member of the Committee of Directors, the Risk Management Committee, Committee of Whole Time Directors, the IT Strategy Committee and the Corporate Social Responsibility Committee of Directors of the Bank.

The details of attendance of Shri Rajiv Anand at the meetings of the Board and the said Committees, during the FY 2018-19, are as under:

Particulars	FY 2018-19
Board of Directors	10/12
Committee of Directors (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	3/3
Risk Management Committee (inducted as a Member, w.e.f. 30 <sup>th</sup> January 2019)	2/2
Customer Service Committee (Ceased to be a Member, w.e.f. the close of business hours on 30 <sup>th</sup> January 2019)	4/4
Committee of Whole Time Directors	11/13
IT Strategy Committee	4/4
Corporate Social Responsibility Committee	4/4

The details of directorships held by Shri Rajiv Anand in other companies, are as under:

Sr. No.	Name of the Company	Nature of interest
1	National Payments Corporation of India	Director
2	Axis Bank UK Limited	Director
3	A.TREDS Limited	Director
4	Axis Capital Limited	Director
5	Swift India Limited	Director

The details of Membership/Chairmanships held by Shri Rajiv Anand in Committees of other companies, are as under:

Sr. No.	Name of the Company	Name of the Committee	Nature of interest
1	National Payments Corporation of India	Audit Committee	Member

The details of the remuneration last drawn by Shri Rajiv Anand, as the Executive Director (Wholesale Banking) of the Bank, as approved by the RBI and the Members of the Bank, are as under:

Salary	: ₹ 1,64,84,000 p.a.
Leave Fare Concession	: ₹ 5,50,000 p.a.
House Rent allowance	: ₹ 54,39,720 p.a. (In lieu of Bank's owned/leased accommodation)

All other terms and conditions including perquisites and other allowances being paid to Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank, remain unchanged and are in terms of the Comprehensive Remuneration Policy of the Bank.

### Shri Rajesh Dahiya

Shri Rajesh Dahiya, 51 years, was appointed as the Executive Director (Corporate Centre) of the Bank, for a period of 3 (three) years w.e.f. 4<sup>th</sup> August 2016. Prior to his appointment as the Executive Director (Corporate Centre) of the Bank, he was the Group Executive & Head – Corporate Centre of the Bank. He is a qualified engineer with a Masters in Management from Punjab University.

Before joining the Bank on 1<sup>st</sup> June 2010, he was associated with Tata Group for 20 years where he handled various responsibilities across functions such as agricultural input distribution, Human Resources, Manufacturing, Exports, Distribution and Institutional Sales.

In his current role, he supervises all functions under Corporate Centre viz. Internal Audit, Human Resources, Compliance, Company Secretary, Corporate Communications, Administration & Security, Corporate Real Estate Services, Corporate Social Responsibility, Ethics & Sustainability and Law. In addition, Shri Dahiya also oversees the functioning of the Axis Bank Foundation.

Shri Rajesh Dahiya is presently a Member of the Committee of Whole Time Directors, Stakeholders Relationship Committee, the Special Committee of the Board of Directors for Monitoring of Large Value Frauds and the Corporate Social Responsibility Committee of Directors of the Bank.

The details of attendance of Shri Rajesh Dahiya at the meetings of the Board and the said Committees, during the FY 2018-19, are as under:

Particulars	FY 2018-19
Board of Directors	11/12
Stakeholders Relationship Committee	5/5
Special Committee for Monitoring of Large Value Frauds	6/7
Committee of Whole Time Directors	11/13
Corporate Social Responsibility Committee	4/4

The details of directorships held by Shri Rajesh Dahiya in other companies, are as under:

Sr. No.	Name of the Company	Nature of interest
1	Axis Private Equity Limited	Director
2	Axis Trustee Services Limited	Director

Shri Rajesh Dahiya does not hold Committee Memberships in other companies.

The details of the remuneration last drawn by Shri Rajesh Dahiya, as the Executive Director (Corporate Centre) of the Bank, as approved by the RBI and the Members of the Bank, are as under:

Salary	: ₹ 1,46,50,000 p.a.
Leave Fare Concession	: ₹ 5,50,000 p.a.
House Rent allowance	: ₹ 48,34,500 p.a. (In lieu of Bank's owned/leased accommodation)

All other terms and conditions including perquisites and other allowances being paid to Shri Rajesh Dahiya, as the Executive Director (Corporate Centre) of the Bank, remain unchanged and are in terms of the Comprehensive Remuneration Policy of the Bank.

### Shri Pralay Mondal

Shri Pralay Mondal, 53 years, is an engineer from IIT, Kharagpur and a management graduate from IIM, Calcutta. He has rich and varied experience of over 30 years in Retail Banking, Business Banking, Products and Technology.

Before joining Axis Bank, Shri Pralay Mondal was Senior Group President - Retail & Business Banking at YES Bank Limited ("YES Bank"). He was entrusted with the responsibility of building the entire Retail Franchise of Yes Bank, which included entire Retail Liability, Branch Banking, Retail Assets, Retail Fees and Payments Franchise including Credit Cards and Merchant Acquiring. He was also overseeing the Rural Banking Assets, PSL Portfolio, Micro Finance businesses & SME/Business Banking.

Shri Pralay Mondal created a robust scalable franchise through the best in class and committed senior leadership team, and built a strong delivery channel through technology and operations which was the backbone to support the business growth. Shri Pralay Mondal also used to frequently meet the Investors and Analysts and have been part of the core group engaging with relevant people in India or overseas to represent Yes Bank for raising capital. He was on the Board of YES Securities (India) Limited, wholly owned subsidiary of YES Bank.

Before joining YES Bank, Shri Pralay Mondal was Group Head, Retail Assets & Payments Business at HDFC Bank Limited ("HDFC Bank") (2000 – 2012), prior to which he had built the Liability Sales Franchise in HDFC Bank. He was also on the Board of HDB Financial (NBFC & 100% subsidiary of HDFC Bank) and HBL Global, holding Sales Company of HDFC Bank. Shri Pralay Mondal was part of the 4 member Senior Management Team, comprising of the MD, ED and CFO of HDFC Bank, who used to interact with Global and Local Investors and Analysts.

Shri Pralay Mondal started his career as a Management Trainee in Colgate Palmolive and also worked in Wipro Infotech and Digital Equipment (India) Limited before taking up his career in Banking with Standard Chartered Bank in 1996.

The details of directorships held by Shri Pralay Mondal in other companies, are as under:

Sr. No.	Name of the Company	Nature of interest
1	Axis Securities Limited	Director
2	Axis Finance Limited	Director

The details of the remuneration last drawn by Shri Pralay Mondal, as the Group Executive (Retail Banking) of the Bank, are as under:

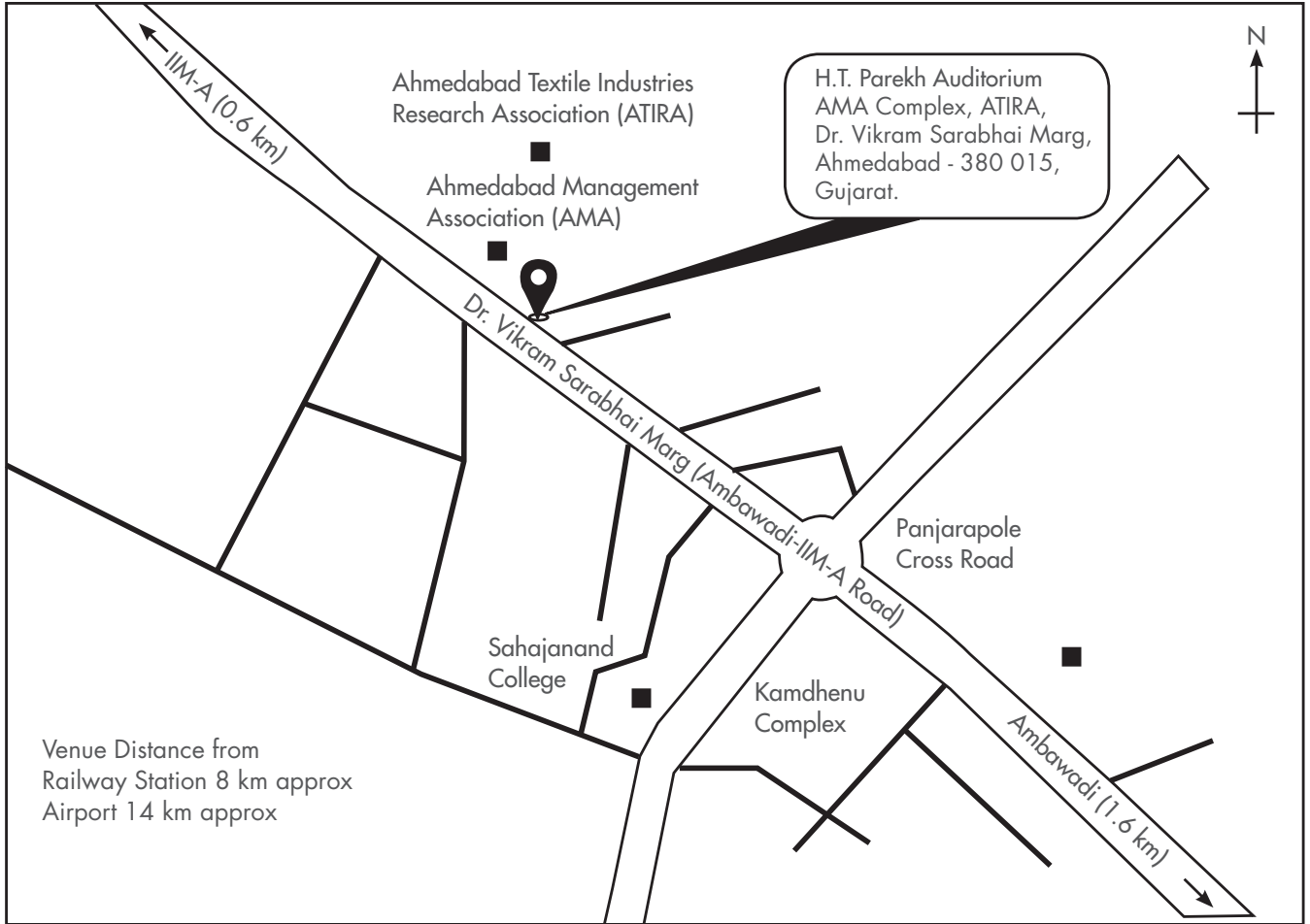
Salary and Other Allowances	: ₹ 1,72,12,881 p.a.
Leave Fare Concession	: ₹ 2,40,000 p.a.
House Rent Allowance	: ₹ 57,83,074 p.a.
Provident Fund	: 12% of Basic Salary
Gratuity	: As per the Bank's Policy
Superannuation Allowance / Fund	: 10% of Basic Salary
Car	: As per the Bank's policy

Subsequent to Shri Pralay Mondal's proposed elevation as the Executive Director (Retail Banking) of the Bank, w.e.f. 1<sup>st</sup> August 2019, his compensation structure will be aligned to that of other Whole Time Directors of the Bank, in terms of the Comprehensive Remuneration Policy of the Bank, details of which are set out in Item No. 11 of this Notice.

# ROUTE MAP TO THE VENUE OF THE AGM

**Venue:** H. T. Parekh Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat, India.

**Landmark:** Near the Indian Institute of Management, Ahmedabad.



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Twenty Fifth Annual Report 2018-19

Form No. MGT – 11  
Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014, as amended]  
25<sup>th</sup> Annual General Meeting - Saturday, 20<sup>th</sup> July 2019

CIN	L65110GJ1993PLC020769
Name of the Company	Axis Bank Limited
Registered Office Address	'Trishul', 3 <sup>rd</sup> Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006. Gujarat. Phone No.: +91-79-6630 6161; Fax No.: +91-79-2640 9321 Email Address: shareholders@axisbank.com; Website: www.axisbank.com
Name of the Member(s):	
Registered Address:	
E-mail ID:	
Folio No. /Client ID:	DP ID:

I/We, being the holder(s) of ..... equity shares of the above named Bank, hereby appoint

1. Name:	
Address:	
E-mail ID:	
Signature:	or failing him
2. Name:	
Address:	
E-mail ID:	
Signature:	or failing him
3. Name:	
Address:	
E-mail ID:	
Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Bank, to be held on **Saturday, 20<sup>th</sup> July 2019 at 10.00 a.m.** at H. T. Parekh Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat and at any adjournment(s) thereof, in respect of the ordinary/special resolution(s), as indicated below:

Sr. No.	Particulars of Resolutions	Sr. No.	Particulars of Resolutions
1.	To receive, consider and adopt :  (a) the audited standalone financial statements of the Bank for the Financial Year ended 31 <sup>st</sup> March 2019 and the Reports of the Directors and the Auditors thereon; and  (b) the audited consolidated financial statements for the Financial Year ended 31 <sup>st</sup> March 2019 and the Report of the Auditors thereon.	2.	To declare dividend on equity shares of the Bank for the financial year ended 31 <sup>st</sup> March 2019.

Sr. No.	Particulars of Resolutions	Sr. No.	Particulars of Resolutions
3.	To appoint a director in place of Smt. Usha Sangwan (DIN 02609263), who retires by rotation and being eligible, has offered herself for re-appointment.	4.	Appointment of Shri Rakesh Makhija (DIN 00117692), Independent Director, as the Non-Executive (Part-time) Chairman of the Bank, for a period of 3 (three) years, with effect from 18 <sup>th</sup> July 2019 up to 17 <sup>th</sup> July 2022 (both days inclusive) and the terms and conditions relating to the said appointment including the remuneration, subject to the approval of the RBI.
5.	Revision in the remuneration payable to Shri Amitabh Chaudhry (DIN 00531120) as the Managing Director & CEO of the Bank, w.e.f. 1 <sup>st</sup> April 2019, subject to the approval of the RBI.	6.	Revision in the remuneration payable to Shri Rajiv Anand (DIN 02541753) as the Executive Director (Wholesale Banking) of the Bank, w.e.f. 1 <sup>st</sup> April 2019 upto 3 <sup>rd</sup> August 2019 (both days inclusive), subject to the approval of the RBI.
7.	Re-appointment of Shri Rajiv Anand (DIN 02541753) as the Whole Time Director designated as the 'Executive Director (Wholesale Banking)' of the Bank, for a period of 3 (three) years, with effect from 4 <sup>th</sup> August 2019 up to 3 <sup>rd</sup> August 2022 (both days inclusive), and the terms and conditions relating to the said re-appointment, including remuneration, subject to the approval of the RBI.	8.	Revision in the remuneration payable to Shri Rajesh Dahiya (DIN 07508488) as the Executive Director (Corporate Centre) of the Bank, w.e.f. 1 <sup>st</sup> April 2019 upto 3 <sup>rd</sup> August 2019 (both days inclusive), subject to the approval of the RBI.
9.	Re-appointment of Shri Rajesh Dahiya (DIN 07508488) as the Whole Time Director designated as the 'Executive Director (Corporate Centre)' of the Bank, for a period of 3 (three) years, with effect from 4 <sup>th</sup> August 2019 up to 3 <sup>rd</sup> August 2022 (both days inclusive), and the terms and conditions relating to the said re-appointment, including remuneration, subject to the approval of the RBI.	10.	To approve the appointment of Shri Pralay Mondal (DIN 00117994) as a Director of the Bank, w.e.f. 1 <sup>st</sup> August 2019.
11.	Appointment of Shri Pralay Mondal (DIN 00117994) as the Executive Director (Retail Banking) of the Bank for a period of 3 years, w.e.f. 1 <sup>st</sup> August 2019, and the terms and conditions relating to the said appointment, including remuneration, subject to the approval of the RBI.	12.	Borrowing/Raising funds in Indian Currency/Foreign Currency by issue of Debt Securities including but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments and Tier II Capital bonds or such other debt securities as may be permitted under the RBI guidelines, from time to time, on a private placement basis, for an amount of up to ₹ 35,000 crore during a period of one year from the date of passing of this Special Resolution.
13.	Payment of Profit Related Commission to the Non-Executive Directors (excluding the Non-Executive (Part-Time) Chairman) of the Bank, for a period of five (5) years, with effect from 1 <sup>st</sup> April 2020.		

Signed this ..... day of ..... 2019

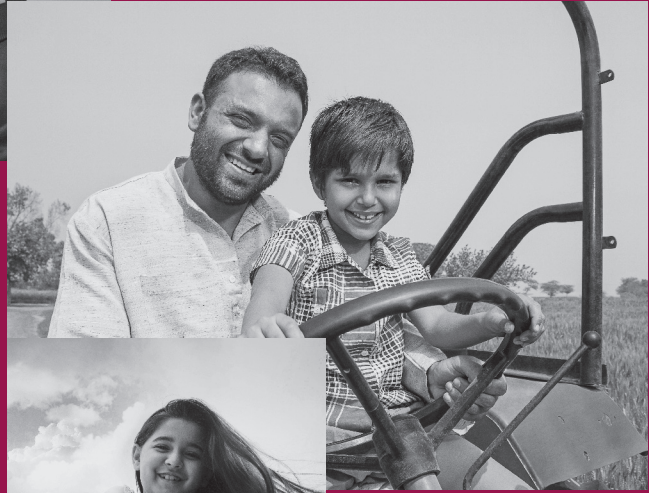
Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_



**Note: This form of proxy in order to be effective should be duly stamped, signed, completed in all respects and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of this Annual General Meeting.**





# AXIS BANK

## REGISTERED OFFICE

'Trishul', 3<sup>rd</sup> Floor,  
Opp. Samartheshwar Temple,  
Law Garden, Ellisbridge,  
Ahmedabad - 380 006  
Tel. No.: 079-6630 6161  
Fax No.: 079-2640 9321  
Email: [shareholders@axisbank.com](mailto:shareholders@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)

## CORPORATE OFFICE

'Axis House', C-2,  
Wadia International Centre,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 025  
Tel. No.: 022-2425 2525  
Fax No.: 022-2425 1800

