

Board's Report

Dear Members,

Your Board of Directors (Board) are pleased to present the 29th Annual Report of Axis Bank Limited (Bank) together with the audited financial statements for fiscal 2023.

Financial performance and state of the Bank's affairs

The highlights of the standalone financial performance for the fiscal year under review, are presented below:

Particulars	(₹ in crores)		
	2022-23	2021-22	Growth
Balance sheet:			
Deposits	946,945	821,972	15%
Savings bank deposits	297,416	242,449	23%
Current account deposits	149,120	127,557	17%
Term deposits	500,409	451,966	11%
Advances	845,303	707,947	19%
Retail advances	487,571	400,142	22%
Non-retail advances	357,732	307,805	16%
Total assets / liabilities	1,317,326	1,175,429	12%
Profit & loss account:			
Net interest income	42,946	33,132	30%
Other income	16,501	15,221	8%
Fee income	16,216	13,001	25%
Trading profit ¹	(242)	1,627	-
Miscellaneous income	527	593	(11%)
Operating expenses	27,398	23,611	16%
Operating profit	32,049	24,742	30%
Provisions and contingencies (other than tax)	2,653	7,360	(64%)
Profit before exceptional items and tax	29,396	17,382	69%
Exceptional items ²	12,490	-	-
Profit after exceptions items, but before tax	16,906	17,283	(3%)
Provision for tax	7,326	4,357	68%
Net profit	9,580	13,025	(26%)
Balance in profit and loss account brought forward from previous fiscal year	38,100	29,985	-
Amount available for appropriation	47,680	43,010	-
Appropriations			
Transfer to statutory reserve	2,395	3,256	-
Transfer to capital reserve	68	441	-
Transfer to / (from) investment reserve	(149)	149	-
Transfer to special reserve	841	609	-
Transfer to investment fluctuation reserve	73	455	-
Dividend paid	307	-	-
Surplus carried over to balance sheet	44,145	38,100	-

¹ Excluding merchant exchange profit

² Exceptional items comprise (i) full amortization of Intangibles and Goodwill amounting to ₹11,949 crores; (ii) impact of policy harmonisation of operating expenses and provisions amounting to ₹361 crores; and (iii) one-time acquisition related expenses amounting to ₹179 crores; on account of acquisition of Citibank India consumer business. Bank has fully charged to the profit and loss account all the exceptional items in fiscal 2023. The cumulative impact of all the exceptional items on Bank's profit and loss account (net of taxes) is ₹12,353 crores (Refer note 18.1 of standalone and consolidated financial statements)



Key performance indicators

Key performance indicators	2022-23	2021-22
Interest income as a % of working funds ¹	7.09	6.26
Non-interest income as a % of working funds ¹	1.37	1.41
Net interest margin (%)	4.02	3.47
Return on average net worth (%) ²	18.38	12.91
Operating profit as a % of working funds ^{1,2}	2.67	2.30
Return on average assets (%) ²	1.82	1.21
Profit per employee ³ (₹ in lacs)	10.94	15.54
Business (Deposits less inter-bank deposits + advances) per employee ³ (₹ in crores)	20.00	17.92
Net non-performing assets as a % of net customer assets ⁴	0.39	0.73

¹ Working funds represent average total assets

² Excluding exceptional items

³ Productivity ratios are based on average number of employees for the fiscal year

⁴ Customer assets include advances and credit substitutes

Previous fiscal year's figures have been re-grouped wherever necessary.

Financial performance of the group

Subsidiaries of the Bank continued to deliver steady performance. The domestic subsidiaries, collectively, reported a net profit of ₹ 1,304 crores in fiscal 2023. This translates into a return on investment of ~ 50%. Consolidated profit of the group (excluding exceptional items) for fiscal 2023 stood at ₹ 23,172 crores, growing 64% year-on-year. Consolidated return on equity (excluding exceptional items) for fiscal 2023 stood at 18.84%, up 517 bps year-on-year, with subsidiaries contributing 46 bps.

Acquisition of Citibank's India consumer business

The Bank has acquired on a going concern basis, the business assets and business liabilities of Citibank's India consumer business from Citibank N. A. (acting through its branch in India) (CBNA) and the NBFC consumer business from Citicorp Finance (India) Limited (CFIL) collectively referred to as Citibank India consumer business, effective beginning of day 1 March, 2023 (referred to as legal day one) without values being assigned to individual assets and liabilities.

The transaction comprises the sale of the consumer businesses of Citibank India, which includes loans, credit cards, wealth management, commercial vehicle, construction equipment loans and retail banking operations. The acquisition provides the Bank with access to a premium customer segment, is a good strategic fit and is completely aligned with Axis Bank's GPS (Growth, Profitability & Sustainability) strategy. The Bank has gained access to the large, affluent and profitable customer franchise of Citibank, which aligns well with its premiumisation strategy.

The Board extends a warm 'Dil Se' welcome to the employees and customers of Citibank who have joined the Axis family and acknowledges their support during the transition period.

Dividend

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Bank has formulated and adopted a dividend distribution policy, which was reviewed by the Board. The policy is available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/dividend-distribution-policy-of-the-bank.pdf>.

In view of the overall performance of the Bank and while retaining capital to support future growth, the Board at its meeting held on 27 April, 2023, recommended a final dividend of ₹ 1/- per equity share of ₹ 2/- each fully paid-up, subject to the approval of members at the ensuing 29th Annual General Meeting (AGM). The record date for payment of dividend is mentioned in the notice of the ensuing 29th AGM of the Bank.

In terms of Accounting Standard (AS) - 4 'contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs (MCA) under Section 133 of the Companies Act, 2013 (Act) read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2023. Further, shares issued on exercise of stock options after 31 March, 2023 till record date will also be eligible for such proposed dividend.

In terms of the Income Tax Act, 1961, the dividend income is taxable in the hands of the members. Therefore, the dividend will be paid to the members after deduction of applicable tax, if any.

Board's Report

Capital structure

Share capital

During fiscal 2023, the Bank issued and allotted 7,104,176 equity shares of ₹ 2/- each, fully paid-up, pursuant to exercise of stock options by the whole-time directors / employees of the Bank and of its subsidiary companies, under the Bank's employee stock option scheme 2000-01 (ESOS).

Consequent to the above, the total issued and paid-up equity share capital of the Bank increased by ₹ 1.42 crores to ₹ 615.37 crores as on 31 March, 2023, as compared to ₹ 613.95 crores, as on 31 March, 2022. The equity shares issued under the ESOS rank *pari-passu* with the existing equity shares of the Bank.

Apart from the above, the Bank did not raise any additional equity share capital during the fiscal year.

Debt instruments

During fiscal 2023, in order to strengthen its capital adequacy and to enhance its long-term resources, the Bank issued and allotted 12,000 unsecured, rated listed subordinated taxable redeemable Basel III compliant tier II non-convertible debentures (Series 30) of face value of ₹ 1 crore each, aggregating to ₹ 12,000 crores, on a private placement basis. The Audit Committee of the Board (ACB) at its meeting held on 23 January, 2023, had reviewed and confirmed that the Bank had utilized the said funds for the above-mentioned purposes only.

Capital adequacy ratio

The Bank's overall Capital Adequacy Ratio (CAR) under Basel III stood at 17.64% at the end of fiscal 2023, well above the benchmark requirement of 11.50% stipulated by the RBI. Of this, the common equity tier I (CET I) CAR was 14.02% (against minimum regulatory requirement of 8.00%) and tier I CAR was 14.57% (against minimum regulatory requirement of 9.50%). As on 31 March, 2023, the Bank's tier II CAR under Basel III stood at 3.07%.

Ratings of various debt instruments

The details of credit ratings obtained by the Bank along with any revisions thereto, if any, during fiscal 2023, for all the debt instruments outstanding as on 31 March, 2023, are provided in the report on corporate governance, forming part of this annual report.

Reclassification to "public" category from "promoter" category

The Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI), one of the promoters of the Bank, vide its letter dated 27 March, 2023 has withdrawn the nomination of its nominee director from the Board of the Bank. SUUTI has also surrendered its right to appoint one nominee director on the Board, requested the Bank (i) to make appropriate amendments to the Articles of Association of the Bank (AOA) and (ii) to exit SUUTI from "promoter" category and reclassify it to "public" category. Accordingly, the Board on 27 March, 2023 noted the aforesaid letters and approved the amendment to the Bank's AOA, limited to cancellation of nomination rights of SUUTI and other consequential changes thereupon, subject to the approval of the members of the Bank and Reserve Bank of India (RBI). The members of the Bank *vide* postal ballot on 28 April, 2023 have approved the amendment to the AOA of the Bank. The approval of RBI on amendment to the AOA is awaited, as on the date of this report.

Further, the Board at its meeting held on 28 April, 2023 has approved the request of SUUTI for reclassification, subject to approval of the stock exchanges. Since SUUTI does not hold any equity shares in the Bank, the provisions of Regulation 31A(3)(a)(iii) of the SEBI Listing Regulations with respect to approval of the members are not applicable. The application to the stock exchanges will be made within the prescribed timelines.

Deposits

Being a banking company, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Act, are not applicable to the Bank.

Change in the nature of business

During fiscal 2023, there has been no change in the nature of business of the Bank.

Material changes and commitments affecting the financial position of the Bank

There were no material changes and commitments affecting the financial position of the Bank, between the end of the fiscal year of the Bank to which the financial statements relate and up to the date of this report.



Subsidiaries, joint ventures and associates

As on 31 March, 2023, the Bank has nine unlisted subsidiary companies, two step down subsidiary companies and one associate company:

Sr. no.	Name of the subsidiary/ associate company	Subsidiary/ associate	Business activity	% of shares held by the group
1.	Axis Asset Management Company Limited	Subsidiary	Managing investment portfolios of the scheme(s) launched by Axis Mutual Fund, Axis Alternative Investment Fund- category II & III and portfolios under portfolio management services.	75%
2.	Axis Mutual Fund Trustee Limited	Subsidiary	Trustee for the mutual fund business.	75%
3.	Axis Capital Limited	Subsidiary	Business of intermediation such as investment banking, capital market advisory, private equity advisory, M&A advisory and institutional equities.	100%
4.	Axis Finance Limited	Subsidiary	Non-banking financial company (NBFC) offering loans to corporates, MSME's and retail customers.	100%
5.	Axis Securities Limited	Subsidiary	Retail broking services.	100%
6.	A. Treds Limited	Subsidiary	Facilitating financing of trade receivables.	67%
7.	Axis Trustee Services Limited	Subsidiary	Trusteeship activities and agency & administration services.	100%
8.	Freecharge Payment Technologies Private Limited	Subsidiary	Merchant acquiring services, payment aggregation services, payment support services, and business correspondent to a bank / financial institution, distribution of mutual funds.	100%
9.	Axis Bank UK Limited	Subsidiary	Banking activities in the United Kingdom.	100%
10.	Axis Capital USA, LLC,	Step down subsidiary	Services relating to equity capital market, stock broking to institutional investors in USA.	100% (held by Axis Capital Limited)
11.	Axis Pension Fund Management Limited (Incorporated on 17 May, 2022)	Step down subsidiary	Pension fund management business under the national pension system.	47.27%
12.	Max Life Insurance Company Limited	Associate	Life insurance and long-term saving and protection products.	12.99%

As on 31 March, 2023, the Bank did not have any joint venture company.

The financial position and performance of each of the Bank's subsidiary companies is given in the management discussion & analysis report, which forms part of this annual report.

Consolidated financial statements

In accordance with the provisions of Section 129(3) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Bank has prepared consolidated financial statements, which forms part of this annual report. The statement in form AOC-1 containing the salient features of the financial statements of the subsidiary companies and associate company of the Bank, also forms part of this annual report.

In accordance with the third proviso to Section 136(1) of the Act, the annual report of the Bank, containing standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto are available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>.

Further, in accordance with the fourth proviso to the said section, the audited financial statements of each of the said subsidiary companies of the Bank are available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>. The said financial statements will be available for inspection by the members of the Bank and trustees of debenture holders at the registered office of the Bank during business hours on all working days except Saturdays, Sundays, bank holidays and national holidays. Any member interested in obtaining a physical copy of the said financial statements can send an email to the company secretary of the Bank on shareholders@axisbank.com.

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Particulars of loans, guarantees and investments

Pursuant to Section 186(11) of the Act, the provisions of Section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a banking company in the ordinary course of its business.

The particulars of investments made by the Bank are disclosed in schedule 8 of the financial statements as per the applicable provisions of the Banking Regulation Act, 1949.

Corporate governance

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

The corporate governance framework of the Bank incorporates all the mandatory requirements as prescribed in the SEBI Listing Regulations. The Bank has also adopted the non-mandatory requirements as recommended in the SEBI Listing Regulations, as detailed in the report on corporate governance.

The report on corporate governance for fiscal 2023 along with general shareholder information forms part of this annual report. M. P. Chitale & Co., Chartered Accountants (ICAI firm registration no. 101851W), joint statutory auditor of the Bank has issued a certificate confirming the compliance with the provisions of Corporate Governance by the Bank for the year ended 31 March, 2023, 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 to the SEBI Listing Regulations, and the same is attached along with the report on corporate governance.

Management's discussion and analysis report

The management's discussion and analysis report as stipulated under Regulation 34(2)(e) of the SEBI Listing Regulations, forms part of this annual report.

Board of directors

Appointment / re-appointment of directors

During fiscal 2023, pursuant to the recommendation of the Nomination and Remuneration Committee of Directors (NRC), the Board appointed / re-appointed the following directors:

1. Manoj Kohli was appointed as an Independent Director of the Bank on 17 June, 2022, for a period of four years with effect from 17 June, 2022 upto 16 June, 2026 (both days inclusive). The said appointment was approved by the members of the Bank at the 28th AGM held on 29 July, 2022.
2. P. N. Prasad was appointed as an Independent Director of the Bank on 20 October, 2022, for a period of four years with effect from 20 October, 2022 upto 19 October, 2026 (both days inclusive). The said appointment was approved by the members of the Bank *vide* postal ballot on 16 January, 2023.
3. CH SS Mallikarjunarao was appointed as an Independent Director of the Bank on 24 January, 2023, for a period of four years with effect from 1 February, 2023 upto 31 January, 2027 (both days inclusive). The said appointment was approved by the members of the Bank *vide* postal ballot on 28 April, 2023.

Manoj Kohli, P. N. Prasad and CH SS Mallikarjunarao are not liable to retire by rotation.

The Board has formed an opinion that Manoj Kohli, P. N. Prasad and CH SS Mallikarjunarao have the integrity, expertise and requisite experience, which is beneficial to the business interest of the Bank. Further, they are in compliance with provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors.

Ashish Kotecha, Non-Executive (Nominee Director) of the Bank, is liable to retire at ensuing AGM, and being eligible seeks re-appointment. Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank.

The Board at its meeting held on 28 April, 2023, has appointed Subrat Mohanty as an Executive Director of the Bank with effect from (i) 1 May, 2023 or (ii) the date of approval of his appointment by RBI, whichever is later. His appointment is for a period of three years from the effective date of his appointment and is subject to approval of the members of the Bank and RBI. Subrat Mohanty would be liable to retire by rotation.

Resolutions in respect of re-appointment of Ashish Kotecha and appointment of Subrat Mohanty, have been included in the notice convening the 29th AGM of the Bank.



RBI vide its letter dated 24 June, 2022 has approved the re-appointment of Rajiv Anand as the Deputy Managing Director of the Bank, for a further period of three years, with effect from 4 August, 2022 up to 3 August, 2025 (both days inclusive). Further, RBI vide its letter dated 12 July, 2022 has approved the re-appointment of Rakesh Makhija as Non-Executive (Part-Time) Chairman of the Bank, with effect from 18 July, 2022 up to 26 October, 2023 (both days inclusive).

Resignation / retirement of directors

1. S. Vishvanathan ceased to be an Independent Director of the Bank, with effect from the close of business hours on 10 February, 2023, upon completion of the maximum permissible tenure of eight continuous years, in terms of the provisions of Section 10A(2A) of the Banking Regulation Act, 1949.
2. Vasantha Govindan, ceased to be Non-Executive (Nominee Director) of the Bank with effect from 27 March, 2023, upon withdrawal of her nomination by SUUTI.

The Board acknowledges the invaluable contributions rendered by S. Vishvanathan and Vasantha Govindan during their tenure as directors and places on record its deep appreciation for their guidance as members of the Board.

Key managerial personnel

Amitabh Chaudhry, Managing Director & CEO, Rajiv Anand, Deputy Managing Director, Puneet Sharma, Group Executive & Chief Financial Officer and Sandeep Poddar, Senior Vice President II & Company Secretary are the key managerial personnel of the Bank, in terms of Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There has been no change in the key managerial personnel of the Bank during the fiscal year under review.

Selection and appointment of directors

The selection and appointment of directors of the Bank is done in accordance with the applicable provisions of the Act, rules made thereunder, the Banking Regulation Act, 1949, the guidelines issued by the RBI and the relevant provisions of the SEBI Listing Regulations. The Bank has formulated and adopted various policies with respect to selection and appointment of directors i.e. succession planning policy for the Board and key officials of the Bank, policy on fit and proper criteria for directors of the Bank, Board diversity policy and policy on training of directors, the details of which are provided in report on corporate governance, which forms part of this annual report.

Declaration of independence

All the independent directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Board has assessed the veracity of the confirmations submitted by the independent directors and thereafter has taken the same on record.

In the opinion of the Board, all the independent directors are independent of the management.

Board performance evaluation

The Act and the SEBI Listing Regulations relating to corporate governance provides for evaluation of the performance of the Board, its committees, individual directors and the chairperson of a company.

The Bank has institutionalised the board performance evaluation process. The NRC is the nodal agency for conducting the said performance evaluation. The NRC annually reviews and approves the criteria and the mechanism for carrying out the exercise effectively.

The methodology used for the annual board performance evaluation, the outcome, progress made over last fiscal year and the proposed actions for implementation during fiscal 2024, are provided in the report on corporate governance, which forms part of this annual report.

Directors' responsibility statement

In terms of Section 134(3)(c) of the Act, the directors hereby state that:

- a) the applicable accounting standards have been followed in the preparation of the annual accounts for the fiscal 2023.
- b) accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at 31 March, 2023 and of the profit of the Bank for the fiscal year ended on that date.

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- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) adequate internal financial controls for the Bank to follow, have been laid down and these are operating effectively.
- f) proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

Meetings of the Board / committees

The schedule in respect of the meetings of the Board / committees, to be held during the next fiscal year is circulated in advance to all the members of the Board.

During fiscal 2023, nine meetings of the Board were held. Details of board meetings is provided in the report on corporate governance, which forms part of this annual report.

Audit Committee of Board

The composition, role and functions of ACB, is provided in the report on corporate governance, which forms part of this annual report.

During fiscal 2023, the Board has accepted all the recommendations made by the ACB.

Related party transactions

During fiscal 2023, all the related party transactions were entered into in the ordinary course of the business of the Bank and on an arm's length basis. Accordingly, during the fiscal year, no transaction falling under the scope of Section 188(1) of the Act was entered into. Hence, form AOC-2 is not applicable to the Bank.

The details of related party transactions are provided in the note number 4.5 of schedule 18 to the standalone financial statements and in the note number 3.8 of schedule 18 to the consolidated financial statements.

Whistle blower policy and vigil mechanism

The Bank has formulated and adopted a whistle blower policy and vigil mechanism, details of which have been provided in the report on corporate governance, which forms part of this annual report.

Maintenance of cost records

Being a banking company, provisions of Section 148(1) of the Act, relating to maintenance of cost records is not applicable to the Bank.

Adequacy of internal financial controls related to financial statements

The Bank has put in place adequate internal financial controls with reference to its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

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 April, 2018. Banks were also required to report the comparative financial statements for fiscal 2018, to be published along with the financial statement for the fiscal year beginning 1 April, 2018. However, the RBI in its press release issued on 5 April, 2018 deferred the applicability of Ind AS by one year (i.e. 1 April, 2019) for scheduled commercial banks. Further, RBI in a circular issued on 22 March, 2019 has deferred the implementation of Ind AS till further notice.

During fiscal 2017, the Bank had undertaken a 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 process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting proforma Ind AS financial statements to RBI on a half-yearly basis.

In line with the RBI guidelines on Ind AS implementation, the Bank has constituted a Steering Committee comprising members from the concerned functional areas, headed by the Deputy Managing Director of the Bank. A progress report on the status of Ind AS implementation in the Bank is presented to the ACB and the Board on a quarterly basis.



Remuneration policy

The Bank has formulated and adopted a remuneration policy for its non-executive chairman and non-executive directors and a remuneration policy for its managing director & CEO, whole-time directors, material risk takers, control function staff and other employees (policies), in terms of the relevant provisions of Section 178 of the Act, the relevant rules made thereunder, the SEBI Listing Regulations and guidelines/circulars issued by the RBI.

The details of the said policies have been provided in the report on corporate governance, which forms part of this annual report. The said policies are available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance> in terms of the SEBI Listing Regulations.

Share based employee benefits

Axis Bank employee stock option scheme, 2000-01

The Bank has formulated and adopted Axis Bank employee stock option scheme, 2000-01 (ESOS) for the eligible employees of the Bank and that of its subsidiary companies, in terms of the regulations / guidelines issued by the Securities and Exchange Board of India (SEBI).

The members of the Bank *vide* postal ballot on 16 January, 2023 have approved certain amendment to ESOS in order to extend the benefits of ESOS to all eligible employees of the present / future associate companies. These amendments are not prejudicial to the interests of the employees.

Axis Bank employees stock unit scheme, 2022

In order to act as a retention mechanism, usher in an 'owner-manager' culture, align the interest of the key executives / employees with that of the members in driving long-term value creation for the Bank, achieve greater synergy between the Bank and its subsidiary and associate companies and enable employees to participate in the long-term growth and the Bank's financial success, the Bank has formulated and adopted Axis Bank employees stock unit scheme, 2022 (ESUS) for eligible employees of the Bank / its subsidiaries and associates in terms of the regulations / guidelines issued by the SEBI, which was approved by the members of the Bank *vide* postal ballot on 16 January, 2023.

The aforesaid ESOS and ESUS are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI (SBEB and SE) Regulations 2021). A certificate from the secretarial auditor of the Bank that the ESOS and ESUS have been implemented in accordance with the SEBI Regulations and in accordance with the resolutions passed by the members of the Bank, will be placed at the 29th AGM of the Bank.

Disclosure as mandated under the provisions of Regulation 14 of the SEBI (SBEB and SE) Regulations 2021, is available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-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 attached as **Annexure 1** to this report.

In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said rules forms part of this annual report.

In accordance with the provisions of Section 136(1) of the Act, the annual report excluding the aforesaid information, is being sent to the members of the Bank and others entitled thereto. The said information 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 AGM.

Any member interested in obtaining a copy thereof, may write to the company secretary of the Bank at its registered office or at shareholders@axisbank.com.

Information under 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 of women at workplace. The Bank has complied with the provisions relating to the constitution of internal committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during fiscal 2023 is provided in the report on corporate governance, which forms part of this annual report.

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Statutory auditors

M. P. Chitale & Co., Chartered Accountants (ICAI firm registration no. 101851W) and CNK & Associates LLP, Chartered Accountants (ICAI firm registration no. 101961WI / W100036) were appointed as the joint statutory auditors of the Bank at the 27th AGM, to hold office from the conclusion of the 27th AGM until the conclusion of the 30th AGM, on such terms and conditions, including remuneration, as may be approved by the ACB, subject to the approval of the RBI every fiscal year.

In accordance with the RBI guidelines, the Bank has framed a policy on appointment of statutory auditors and has also identified internal set of evaluation criteria for assessing the goodness of fit in terms of experience and eligibility for the audit firms including auditor independence.

There are no qualifications, reservations, adverse remarks or disclaimer made by M. P. Chitale & Co., Chartered Accountants, and CNK & Associates LLP, Chartered Accountants, in the statutory auditors report.

Secretarial auditor

Pursuant to the provisions of Section 204 of the Act and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank had appointed Bhandari & Associates, company secretaries, as the secretarial auditor of the Bank, for fiscal 2023.

The secretarial audit of the Bank was conducted in respect of the matters prescribed in the said rules and set out in the secretarial audit report, for fiscal 2023, attached as **Annexure 2** to this report. There are no qualifications, reservations, adverse remarks or disclaimers made by the secretarial auditor of the Bank, in its report.

In terms of SEBI circular no CIRICFDICMD1/2712019 dated 8 February, 2019, relating to annual secretarial compliance report, the Bank had appointed Bhandari & Associates, company secretaries, for issuing the aforesaid report for fiscal 2023. The Bank will submit the annual secretarial compliance report to the stock exchanges within the prescribed time.

Certificate from a company secretary in practice

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a certificate from Bhandari & Associates, company secretaries, confirming that none of the directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of the companies either by the SEBI or the MCA or any other statutory/regulatory authorities. The said certificate is attached as **Annexure 3** to this report.

Reporting of frauds by auditors

During fiscal 2023, pursuant to Section 143(12) of the Act, neither the statutory auditors nor the secretarial auditor of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

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 (ICSI). The Bank has also voluntarily adopted the recommendatory secretarial standard on dividend (SS-3) and secretarial standard on report of the board of directors (SS-4) issued by the ICSI.

Risk management

Pursuant to Regulation 21 of the SEBI 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 annual 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 disclosed in the management's discussion and analysis report, which forms part of this annual report.

Corporate social responsibility

The Bank has been formally undertaking corporate social responsibility (CSR) activities since 2006, through Axis Bank Foundation (ABF). With the introduction of Section 135 of the Act making CSR mandatory, the Bank expanded its spectrum of activities to undertake interventions across India in identified themes, directly, through ABF and through other credible implementation partners.

Pursuant to the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), as amended, the Bank has constituted the CSR Committee of the Board.



The Bank has formulated and adopted a CSR policy which provides the focus areas (in accordance with Schedule VII of the Act) under which various developmental initiatives are undertaken.

The composition of the CSR Committee, CSR policy and projects/programs approved by the Board are available on the website of the Bank at <https://www.axisbank.com/csr/social-responsibility>.

The annual report on CSR activities and details of amount spent or unspent by the Bank during fiscal 2023, in accordance with the CSR Rules, is attached as **Annexure 4** to this report.

Business responsibility and sustainability report

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, top 1,000 listed entities based on their market capitalisation as on 31 March, every fiscal year, were required to submit business responsibility report (BRR), as part of their annual report.

In November 2018, the MCA constituted a committee to revise the national voluntary guidelines (NVG) on which the BRR was based. These guidelines were subsequently revised and released as the national guidelines on responsible business conduct (NGRBC) in 2019. Further, the BRR was aligned to the NGRBC and renamed and released as the business responsibility and sustainability report (BRSR) in 2020.

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, SEBI, vide its circular dated 10 May, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from fiscal 2023, to be submitted as a part of their annual report.

The Bank's BRSR for fiscal 2023 forms part of this annual report.

Significant and material order passed by regulators or courts or tribunals impacting the going concern status and future operations of the Bank

During fiscal 2023, no significant and / or material order was passed by any regulator, court or tribunal against the Bank, which could impact its going concern status or future operations.

Conservation of energy & technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure 5** to this report.

Annual return

The annual return in Form MGT-7, as mandated under the provisions of Section 92(3) read with Section 134(3) of the Act, has been uploaded on the website of the Bank and is available at <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-return>.

Acknowledgements and appreciations

The Board places on record its gratitude to the RBI, MCA, SEBI, 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 its valued customers for their continued patronage and to the members of the Bank for their continued support.

The Board also expresses its heartfelt thanks and gratitude to each employee and their families for their continued commitment towards the Bank and its customers, who by demonstrating strong work ethics, professionalism, teamwork and initiatives helped the Bank continue to serve its depositors and customers and reinforce its customer centric image despite the challenging environment.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 28 April, 2023

Rakesh Makhija
Chairman

DISCLOSURE ON REMUNERATION

[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]

- (i) **The ratio of the remuneration of each director of the Bank to the median remuneration of the employees of the Bank for the fiscal 2023 and the percentage increase in remuneration of each director, chief financial officer, chief executive officer and company secretary or manager, if any, in the fiscal 2023, is as under:**

Name of the directors	Designation	Ratio of remuneration to median remuneration of all employees ⁽²⁾	% increase in the remuneration in the fiscal 2023
Rakesh Makhija	Independent Director and Part-time Chairperson	8.56	N.A.
S. Vishvanathan ⁽³⁾	Independent Director	5.89	N.A.
Ketaki Bhagwati	Independent Director	7.02	N.A.
Girish Paranjpe	Independent Director	8.83	N.A.
T. C. Suseel Kumar	Nominee Director	6.82	N.A.
Meena Ganesh	Independent Director	7.22	N.A.
G. Padmanabhan	Independent Director	5.82	N.A.
Ashish Kotecha	Nominee Director	4.31	N.A.
Vasantha Govindan ⁽⁴⁾	Nominee Director	4.18	N.A.
Prof. S. Mahendra Dev	Independent Director	7.42	N.A.
Manoj Kumar Kohli ⁽⁵⁾	Independent Director	3.36	N.A.
P. N. Prasad ⁽⁶⁾	Independent Director	2.10	N.A.
CH SS Mallikarjunarao ⁽⁷⁾	Independent Director	0.89	N.A.
Amitabh Chaudhry ⁽¹⁾	Managing Director & CEO	101.63	5%
Rajiv Anand ⁽¹⁾	Deputy Managing Director	64.59	14.7%
Puneet Sharma	Chief Financial Officer	-	12.0%
Sandeep Poddar	Company Secretary	-	N.A. ⁽⁹⁾

(1) In case of Managing Director & CEO (MD & CEO) and the Deputy Managing Director (DMD), the Bank has considered the annualised fixed pay for the computation of ratios. Fixed pay includes salary, allowances, retiral benefits as well as value of perquisites as approved by the Reserve Bank of India. Variable pay has been excluded from the same.

(2) All confirmed employees (excluding front line sales force), as on 31 March, 2023 have been considered.

(3) Ceased to be an Independent Director of the Bank, with effect from the close of business hours on 10 February, 2023.

(4) Ceased to be a Nominee Director of the Bank with effect from 27 March, 2023.

(5) Appointed as an Independent Director of the Bank, for a period of four years with effect from 17 June, 2022.

(6) Appointed as an Independent Director of the Bank, for a period of four years with effect from 20 October, 2022.

(7) Appointed as an Independent Director of the Bank, for a period of four years with effect from 1 February, 2023.

(8) All the independent directors and nominee directors of the Bank were paid sitting fees of ₹100,000 for every meeting of the Board, Nomination and Remuneration Committee, Audit Committee of the Board, Committee of Directors, Risk Management Committee and IT & Digital Strategy Committee, attended by them. In respect of other committees of the Board, sitting fees of ₹75,000 was paid to the directors. In accordance with RBI circular dated 26 April, 2021 on 'corporate governance in banks - appointment of directors and constitution of committees of the board', the Bank paid fixed remuneration to its non-executive directors (except the independent part-time chairperson) within the prescribed limit of ₹20 lakh per annum per director.

The independent part-time chairperson was paid a remuneration of ₹3,300,000 during fiscal 2022 and fiscal 2023 as approved by the RBI, in addition to sitting fees and provision of car for official and personal use.

(9) Details are not provided as the key managerial personnel (KMP) was only for part of fiscal 2022 or fiscal 2023.



(ii) The percentage increase in the median remuneration of the employees of the Bank during the fiscal 2023:

The median remuneration of employees of the Bank increased by 7.6% in fiscal 2023, as compared to fiscal 2022.

(iii) The number of permanent employees on the rolls of the Bank as on 31 March, 2023:

The Bank had 91,898 permanent employees on its rolls as on 31 March, 2023.

(iv) Average percentile increase already made in the salaries of employees of the Bank other than its managerial personnel during the last fiscal year and its comparison with the percentile increase in the managerial remuneration (KMPs) 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 fiscal 2023 was 9.99%. The average remuneration increase for the managerial personnel (KMPs) of the Bank was 8.85%.

(v) Affirmation that the remuneration is as per the remuneration policy of the Bank:

It is hereby affirmed that the remuneration paid during fiscal 2023, is in accordance with the remuneration policy of the Bank.

SECRETARIAL AUDIT REPORT

FOR THE FISCAL YEAR ENDED 31 MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

AXIS BANK LIMITED

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: L65110GJ1993PLC020769)** (hereinafter called "the Bank"). The 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 covering the year ended on 31 March, 2023 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 financial year ended on 31 March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Bank does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year.
- 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
 - i. The Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992;
 - j. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994; and
 - k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of acts, laws and regulations specifically applicable to the Bank are given below:

- vi. The Banking Regulation Act, 1949.

We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations"].

During the period under review, the Bank has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above, to the extent applicable.

We further report that –

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors at least seven days in advance to schedule the board meetings other than those held at a shorter notice. Agenda and detailed notes on agenda were sent in advance for the meetings, 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.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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 applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has undertaken the following events / actions –

1. Members approval was obtained at the 28th Annual General Meeting held on 29 July, 2022 for -
 - enhancement of borrowing limit upto ₹ 2,50,000 crores under section 180(1)(c) of the Act.
 - borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities on a private placement basis upto an amount of ₹ 35,000 crores in domestic and / or overseas markets within the overall borrowing limits of the Bank.
2. On 13 December, 2022 the Committee of Whole-time Directors of the Bank, approved the allotment of 12000 unsecured, rated, listed, subordinated, taxable, non-convertible, Basel III compliant Tier II bonds (Series – 30) of the face value of ₹ 1 crore each ('Bonds / Debentures') for cash, at par aggregating to ₹ 12,000 crores at a coupon rate of 7.88% p.a. payable annually, on a private placement basis.
3. Members approval was obtained through Postal Ballot on 16 January, 2023 to :
 - increase the limit of maximum number of directors on the board of directors of the Bank at any point of time from the present limit of 15 to 18 directors and consequently substituting the existing clause (1) of Article 89 of the Articles of Association ("AOA") of the Bank.
 - formulate and implement the "Axis Bank Employees Stock Unit Scheme, 2022" ("Scheme, 2022") to create, grant, offer, issue and/or allot from time to time, in one or more tranches, units not exceeding 5,00,00,000 (Five crores) in number in aggregate, to or for benefit of employees as determined to be eligible by the Board, be exercisable into not more than 5,00,00,000 (Five crores) equity shares of face value ₹ 2/- each, representing 1.63% of the paid-up capital of the Bank.
 - create, grant, offer, issue and / or allot from time to time, in one or more tranches, the units under the Scheme, 2022 to or for the benefit of the employees of the subsidiaries and associate companies of the Bank.
 - modify the existing Axis Bank Employees Stock Option Scheme, 2000-01 ("Scheme, 2000-01").
 - create, grant, offer, issue and / or allot from time to time, in one or more tranches, the options under the Scheme, 2000-01, to or for the benefit of the employees of the associate companies of the Bank.

Board's Report

4. On 1 March, 2023, the Bank has completed the acquisition of the Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) and the NBFC Consumer Business from Citicorp Finance (India) Limited as going concerns, without values being assigned to individual assets and liabilities, and settled the purchase consideration.
5. The Bank had received a request letter for cancellation of right to appoint one nominee director on the Board from Administrator of the Specified Undertaking of the Unit Trust of India ("SUUTI") dated 27 March, 2023. The same was approved by the Board of Directors on 27 March, 2023 and the Bank has issued postal ballot notice dated 27 March, 2023 for seeking approval of shareholders for amendment to AOA for cancellation of nomination rights of SUUTI and other consequential changes thereupon, subject to the approval of the RBI. In the said letter, SUUTI had also requested its re-classification to "Public" category from "Promoter" category, which was approved by the Board of Directors at its meeting held on 28 April, 2023.
6. During the financial year ended 31 March, 2023, the Bank redeemed total bonds / debentures aggregating to ₹ 6,000 crores.
7. The IRDAI vide its order dated 13 October, 2022, had imposed a penalty aggregating to ₹ 2 crores on the Bank for non-compliance with certain directions issued by IRDAI. The penalty had been imposed under section 102(b) of the Insurance Act, 1938.

For **Bhandari & Associates**

Company Secretaries

Firm Registration No: P1981MH043700

S. N. Bhandari

Partner

FCS No: 761; C P No.: 366

UDIN: F000761E000213589

Place: Mumbai

Date: 28 April, 2023

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

CIN: L65110GJ1993PLC020769

Our Secretarial Audit Report for the year ended on 31 March, 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 **Bhandari & Associates**
Company Secretaries

Firm Registration No: P1981MH043700

S. N. Bhandari
Partner

FCS No: 761; C P No.: 366
UDIN: F000761E000213589

Place: Mumbai

Date: 28 April, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,

Axis Bank Limited,

Trishul, 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden Ellisbridge,
Ahmedabad – 380 006
Gujarat.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Axis Bank Limited having Corporate Identity Number (CIN) : L65110GJ1993PLC020769 and having Registered Office at Trishul, 3rd Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006, Gujarat (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the financial year ended on 31 March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1.	Rakesh Makhija	00117692	27.10.2015
2.	Amitabh Chaudhry	00531120	01.01.2019
3.	Ketaki Bhagwati	07367868	19.01.2016
4.	Girish Paranjpe	02172725	02.11.2018
5.	T. C. Suseel Kumar	06453310	01.07.2020
6.	Meena Ganesh	00528252	01.08.2020
7.	G. Padmanabhan	07130908	28.10.2020
8.	Ashish Kotecha	02384614	01.11.2020
9.	Prof. S. Mahendra Dev	06519869	14.06.2021
10.	Manoj Kohli	00162071	17.06.2022
11.	P. N. Prasad	07430506	20.10.2022
12.	CH SS Mallikarjunarao	07667641	01.02.2023
13.	Rajiv Anand	02541753	12.05.2016

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari
Partner

FCS No: 761; C P No.: 366
ICSI UDIN: 000761E000213633

Place: Mumbai
Date: 28 April, 2023

Annexure 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[As prescribed under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR policy of the company:

The Corporate Social Responsibility (CSR) philosophy of the Bank is to make meaningful and measurable contributions in the lives of socially, economically, financially and physically excluded, disadvantaged and challenged communities of the country. The Bank has adopted an integrated approach of development that focuses on creating opportunities for enhancing livelihood opportunities, improving quality of education and skills development, and creating awareness amongst public at large on topics of financial literacy, health and hygiene. The Bank also aims to facilitate access to formal banking channels for un-banked and under-banked sections of the society (financial inclusion), supporting environmental sustainability and conservation, and contributing to improvements in health and nutrition. The Bank's interventions may be implemented either directly, through Axis Bank Foundation (ABF), or other implementation partners, as set out in the annual action plan (AAP), approved by the Board of Directors (Board) of the Bank.

2. Composition of CSR Committee:

Sl. no.	Name of director	Designation/nature of directorship	Number of meetings of CSR Committee held during the fiscal year	Number of meetings of CSR Committee attended during the fiscal year
(i)	Rakesh Makhija, Chairperson	Independent Director	4	4
(ii)	Rajiv Anand	Deputy Managing Director	4	4
(iii)	Meena Ganesh	Independent Director	4	4
(iv)	Prof S. Mahendra Dev ¹	Independent Director	2	2

¹ Appointed as Member with effect from 20 October, 2022.

3. Provide the web-link(s) where composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the company: <https://www.axisbank.com/csr/social-responsibility>

4. Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

In pursuance of sub-rule (3) of rule 8, impact assessment by a third party was conducted during the year for one project i.e. financial literacy program. A summary of the assessment is provided below, and the assessment has been provided on the Bank's website at <https://www.axisbank.com/csr/social-responsibility>.

The program is aimed at promoting financial literacy and raising awareness about health among economically poor women, through the use of topical videos, with the training programs available to all women in the locality where they are conducted. In fiscal 2021, close to one million women took part in the training sessions. The impact assessment of the project was carried out through an extensive survey conducted between January and February, 2023.

The survey found that 98% of the women participants who had seen the modules on financial literacy under the program remembered having watched it, compared to only 5% of the respondents in the control group who had attended any training program on financial literacy. The video had a positive impact on the participants' attitude, with 88% stating that they thought financial planning, saving and investing are important to meet the long-term goals of their family as compared to 68% of the respondents in the control group. Additionally, 75% of the participants have stated that they track their household incomes and expenditures as compared to 36% of the control group respondents.

A significantly higher proportion of participants at 55% have stated that they have obtained the services of business correspondents (Bank Sakhis) as compared to 35% of the control group respondents. The participants group had 23% of respondents investing in fixed deposits compared to 14% in the control group, and 26% investing in recurring deposits

Board's Report

compared to 14% in the control group. Furthermore, 28% of the participant group invested in long term schemes of insurance companies, while only 2% of the control group did so. 23% of the participant group respondents invested in livestock as compared to 16% in the control group. 12% of the participants group invested in land or gold compared to 1% in the control group.

Among the participants, 74% had some form of health insurance as against 60% among the control group respondents. 48% of the participants had some form of life insurance (apart from credit life insurance) compared to only 24% of the control group respondents. Additionally, 35% of participants had applied for a microenterprise loan as compared to 23% of the control group respondents.

An important observation from both the surveys and the field discussions is that while delivering social messages using video as a medium appears intuitive, it has not been widely used for the purpose of spreading financial literacy. The evidence in this research suggests that good quality videos can indeed be effective for spreading financial literacy.

In addition to the financial literacy video, participants were shown video on covid-19 and sanitation, with 94% participants having a high recall. Additionally, participants had a high recall of messages related to sanitation related to food and cooking.

Overall, the program appears to have been successful in increasing financial literacy and health awareness among women participants.

5. (a) **Average net profit of the company as per sub-section (5) of Section 135:** ₹9,973 crores
- (b) **Two percent of average net profit of the company as per sub-section (5) of Section 135:** ₹199.46 crores
- (c) **Surplus arising out of the CSR projects or programmes or activities of the previous fiscal year:** NIL
- (d) **Amount required to be set-off for the fiscal year, if any:** Not applicable
- (e) **Total CSR obligation for the fiscal year [(b)+(c)-(d)]:** ₹199.46 crores
6. (a) **Amount spent on CSR projects (both ongoing project and other than ongoing project):** ₹171.61 crores
- (b) **Amount spent in administrative overheads:** ₹0.59 crores
- (c) **Amount spent on impact assessment, if applicable:** ₹0.11 crores
- (d) **Total amount spent for the fiscal year [(a)+(b)+(c)]:** ₹172.31 crores
- (e) **CSR amount spent or unspent for the fiscal year:**

Total amount spent for the fiscal year (₹ in crores)	Amount unspent (₹ in crores)				
	Total Amount transferred to unspent CSR account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
172.31	29.61	19 April, 2023 24 April, 2023	NA	NIL	NA

- (f) **Excess amount for set-off, if any:**

Sl. no.	Particular	Amount (in ₹ crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	199.46
(ii)	Total amount spent for the fiscal year	201.92
(iii)	Excess amount spent for the fiscal year [(ii)-(i)]	2.46
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous fiscal year, if any	NIL
(v)	Amount available for set off in succeeding fiscal years [(iii)-(iv)]	2.46



7. Details of unspent CSR amount for the preceding three fiscal years:

Sl. no.	Preceding fiscal years	Amount transferred to unspent CSR account under sub-section (6) of Section 135 (₹ in crores)	Balance amount in unspent CSR account under sub-section (6) of Section 135 (₹ in crores)	Amount spent in the fiscal year (₹ in crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding fiscal years (₹ in crores)	Deficiency, if any
					Amount (₹ in crores)	Date of transfer		
(i)	Fiscal 2020	NIL	-	-	-	-	-	-
(ii)	Fiscal 2021	NIL	-	-	-	-	-	-
(iii)	Fiscal 2022	24.88	4.21	20.67	NIL	Not applicable	4.21	NIL

8. Whether any capital assets have been created or acquired through CSR amount spent in the fiscal year:

Yes No

If yes, enter the number of capital assets created / acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the fiscal year: Not applicable

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135: Not applicable.

Rakesh Makhija
Chairperson – CSR Committee

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 28 April, 2023

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of energy

(i) The steps taken by the Bank or impact on conservation of energy:

- a) Under green building initiative, Indian Green Building Council (IGBC) conferred silver certification for Axis House, Noida.
- b) Under green building initiatives, IGBC conferred platinum certification for Axis House, Mumbai under green existing building rating system for "energy and operational efficiency".
- c) Electrical vehicle charging facility is available at large buildings i.e. Axis House, Mumbai, Andheri MIDC & Axis House, Noida.
- d) Lithium based battery backup is provided for all new UPS installations and existing replacement.
- e) Inverter based air conditioning machines with green refrigerant gas (R32 / R410A) is provided for all new installations and existing replacements.
- f) Replacement of conventional lights to LED lights is provided in all branches / offices.
- g) Centralized energy management system (CEMS) is operational in 600 branches to monitor and control energy consumption.
- h) Conversion of food / wet waste into manure through compost machine for use in landscaping / gardening is operational at Axis House, Mumbai.
- i) Daily re-cycling capacity of 110 kiloliters (KL) of water through sewage treatment plant is available at Axis House, Mumbai.
- j) Rain water harvesting capacity of approximately 2,000 KL of water yearly is available at Axis House, Mumbai.
- k) Savings of water consumption by use of sensors / bio-blocks in urinals at selected large offices.

(ii) The steps taken by the Bank for utilising alternate sources of energy:

- a) Solar power purchased under power purchase agreement (PPA) model for Bank's business continuity centre (data centre), Bangalore.
- b) Solar roof top / on ground installations across selected 245 branches / offices, aggregating approximately 7.05 MW.
- c) Three large offices in Mumbai i.e. Axis House Mumbai, MIDC Andheri and the Ruby premises are being operational on 100% renewal green energy.

(iii) Capital Investments on energy conservation equipment:

- a) Replacement of conventional lights with LED lights at existing set up and new branches estimated at approximately ₹ 3.55 crores per annum.
- b) Yearly cost of approximately ₹ 3.22 crores towards centralised energy management services project.

Technology absorption

(i) Efforts made towards technology absorption:

With the objective of making banking simple and hassle-free for customers, the Bank continues its technology driven business initiatives to deliver value through continuous technology innovation and adoption. During the year, multiple initiatives continued to strengthen Bank's technology capabilities further:

- (a) **Mobile banking:** The Bank retained its strong position in digital banking with the Axis mobile app being world's highest rated mobile banking app on Google Play store with a rating of 4.8 and 11 million monthly active users. The Bank continues to add to its 250+ services portfolio on digital channels, eliminating the need to visit branches for basic servicing. Additionally, the Bank has 24 digital services on branch of the future (BOTF) channel across assets and liabilities including critical services such as address update for NRI customers, demand draft request, interest certificate for loan and repayment schedule for loan.



- (b) **Cloud adoption:** The Bank is the first amongst peers to create 3 cloud landing zones (AWS, Azure and GCP) to support its multi-cloud strategy and has an architectural cloud-first, cloud-native approach. The rapid pace of cloud adoption, driven by a dedicated cloud COE, has helped the Bank to drive business innovation at a faster pace. Using automation and SOPs, the Bank reduced its infrastructure provisioning TAT by approximately 90% compared to comparable on-premises solutions. With 100+ containerized environments and 2,700+ virtual machines, the Bank has been able to run its core applications in any environment from a private data centre to the public cloud. The Bank has 76 critical applications on cloud as on 31 March, 2023 and is targeting to take 70% of its applications on cloud by 2025.
- (c) **API strategy:** The Bank remains committed to its open ecosystem proposition with its focused API strategy and has built 85+ dedicated partnerships across platforms. The Bank has adopted 'Next Gen integration' by deploying more than 350+ APIs on its Developer portal with 80+ crore monthly transactions across 200+ external gateway partners. The Bank continues to roll out new APIs to enable digital customer journeys and partner on-boarding leading to reduced time to market.
- (d) **Core modernization:** The Bank continued its journey towards Hollowing-the-Core to become future-ready with a modernized core. The Bank became first amongst peers to create a separate UPI instance for P2M elite merchants and gained leadership position in UPI payer PSP category. Additionally, Hollowing-the-Core initiatives are undertaken on areas such as general ledger, lending, inquiring, BNPL, and account opening to increase capacity and improve performance of the core systems.
- (e) **Emerging technologies:** The Bank continues to build capabilities in emerging technologies of AI, ML, automation, and data analytics. The Bank has 2990+ RPA bots in action and 1440+ automated processes, and is targeting best in class efficiency for RPA, voice, and IOCR. During the year, the Bank continued to introduce, and scale new products driven by its zero-based redesign philosophy. The redesigned customer centric journeys enable minimum to no data entry with automated underwriting.
- (f) **Infrastructure resiliency:** The Bank has two primary data centres located in Mumbai (co-located) and Bengaluru (owned). Both data centres have n+1 redundant architecture for power and cooling distribution. Business applications are strategically spread between the two data centres for active setup at one DC and resiliency at other DC. Both data centres are located in different seismic zones and are connected through a redundant wide-area network which is connected to all branches and office locations. Additionally, the Bank has set up a refreshed near disaster recovery (DR) for critical applications with improved Infra availability at 99.99% at its data center in Bengaluru. The Bank regularly conducts disaster recovery drills for critical applications to ensure continuity readiness in the event of disaster. The Bank has enhanced resiliency of critical applications with automation tools that provide real-time visibility on DR readiness and DR operations.
- (g) **Blockchain enablement:** The Bank implemented a distributed ledger technology (DLT) based network to digitise the end-to-end trade process which provides user interface (UI) and application programming interface (API) enabled application where corporates and banks will be able to create / initiate and approve / transfer trade assets and instruments. This network will enable digital process flow, paperless transactions and real time monitoring.
- (h) **UPI:** UPI has scaled up tremendously to become a key channel for customer transactions. The Bank maintained its strong positioning in the UPI space with a market share of 17% as payer payment service providers (PSP) (by volume) and approximately 11% in UPI person-to-merchant (P2M) acquiring (by throughput). The Bank has 553 million cumulative virtual payment address (VPA) base and caters to approximately 50 lakh merchant transactions per day on its stack. The Bank was the first bank to hollow the core for elite merchants on UPI and its dedicated IT cloud infrastructure to exclusively handle high volume UPI transactions resulting in the Bank achieving one of the lowest decline rates as a remitter when compared to peer banks. In fiscal 2023, the Bank added UPI capabilities for international transactions and UPI foreign inward remittances (FIR), e-Rupi – V2.0, and NPS D-remit via UPI PFRDA.
- (i) **Monthly transactions:** The Bank continues to increase infrastructure resiliency and robustness to cater to ever-increasing transaction demand. At a monthly level, the Bank is handling 170 million IMPS transaction, 1.9 billion UPI transactions, 30 million IMPS transactions and 1 million RTGS transactions. In fiscal 2024, the Bank will continue to enhance its core infrastructure and applications to cater to increasing volumes.
- (j) **Core upgrades:** The Bank continues to refresh its core applications and upgrades to latest software. Some of the key platform upgrades done in fiscal 2023 are: FinnOne, CRM 7.2, Tallyman Upgrade, and OFSAA Upgrade – Phase I & II. Additionally, the Bank is migrating from Enterprise Payments Hub (EPH) to Global Payment System (GPS).
- (k) **Cyber security:** The Bank is committed to the highest standards of data security and privacy and continues to invest to enhance its capabilities. The Bank follows a holistic cyber security program with a comprehensive cyber security policy and standards based on industry best practices in compliance with regulatory guidelines. The Bank has deployed its cyber security structure and framework based on National Institute of Standards and Technology

Board's Report

(NIST) Standard. The Bank's cyber security framework is built and operated around five fundamental areas including Identify, Protect, Detect, Respond and Recover. The Bank is compliant to ISO27001 and PCIDSS standards, and the Bank has recently acquired ISO27017 cloud security certification for its AWS and Azure cloud, which is a first in the Indian Banking sector and demonstrates an enhanced cyber security resilience and security controls on the Bank's cloud assets.

The Bank has a 24x7 security operations centre and cyber security operations system. 100% of the digital products of the Bank are under Dark Net / Deep Web monitoring. The Bank has a Bitsight rating of 800 out of 900 indicating a well-controlled internet facing security posture. The Bank's current Bitsight score is higher than 90% of the banking and finance entities tracked by Bitsight. The Bank is also moving to a zero-trust architecture internally, adding security technology and process controls. The Bank has trained all its 87,000+ employees on cyber security measures and has conducted exclusive workshops on cyber security for 800+ mid and senior management employees.

- (l) **Central bank digital currency:** The Bank is a part of the digital currency framework for developing customer application and merchant application on blockchain platform for digital currency transactions. The Bank would reap the benefits of improved international payment options, increased payment efficiency, enhanced safety and liquidity to transactions.
- (m) **NPCI projects:** The Bank has invested in three critical projects for business benefits and increased scalability which includes: (i) Credit card on UPI which allows enablement of payments through Rupay credit card on UPI platform, (ii) UPI Lite which allows low value transactions, swift and hassle-free payments and reduce load on core banking, and (iii) Foreign inward and outward remittances.

(ii) The technology benefits derived from the initiatives highlighted above include product improvement, cost reduction, product development or import substitution:

In addition to focusing on developing new age technology products, the Bank continues to strengthen its core systems and applications with planned upgrades. The infrastructure is also being upgraded to deliver improved resiliency. The Bank is also exploring open-source products and platforms to provide reliability and flexibility without adding a significant cost of licensing and support.

(iii) Details of imported technology (imported during the last three years reckoned from the beginning of the fiscal year) is as follows:

(a) The details of technology imported:

- (i) No hardware procurements have been made in foreign currency.
- (ii) Software licenses and upgrades have been procured.

(b) The year of import:

The above referred software licenses and upgrades have been imported during fiscal 2021 to fiscal 2023.

(c) Whether the technology been fully absorbed:

All licenses procured have been put to use.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

Not applicable

(iv) The expenditure incurred on research and development: Nil

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

Macro-economic Environment

Fiscal 2023 turned out to be an intensely volatile year, characterised by extreme uncertainty. The year started with continuing disruptions in supply chains, shipping and transport, aggravated by China's Zero Covid Policy. The outbreak of hostilities in Europe inter alia caused a massive surge in energy and commodities prices. This combined with the pandemic caused supply shocks and resulted in a surge in inflation in developed markets, which they had not experienced over the past 40 years. The major global central banks had to respond with synchronised, aggressive, front-loaded policy rate hikes. This resulted in heightened volatility in global financial markets and tightened financial and credit conditions, inevitably spilling over into emerging markets.

India has largely weathered this economic storm, its macroeconomic fundamentals surprisingly resilient. India's fiscal 2023 real GDP growth is officially forecast to be 7.0% YOY. However, the channels of transmission of global shocks via commodities prices and exchange rates had resulted in high and persistent inflation, which compelled the Monetary Policy Committee to start raising the policy repo rate early in fiscal 2023. Policy repo rate increased by 250 bps in fiscal 2023.

One of the striking developments over the course of fiscal 2023 was a divergence between high bank credit growth (15.4% YOY) and a more muted deposits accretion (9.6% YOY). The high credit offtake resulted largely from retail and services sector loans, but has been robust across all segments, with a mix of both term loans and working capital. The more muted deposits growth was mainly due to draining of the surplus system liquidity injected by RBI during the pandemic.

Prospects for fiscal 2024

RBI forecasts India's growth to moderate in fiscal 2024 to 6.5%. The IMF has slightly lowered its 2023 growth forecast, and global trade in goods and services is likely to further slow, both as the result of the monetary policy efforts to cool inflation with high interest rates. However, the G-10 central banks appear to be approaching the peaks of their respective hike cycles, and this will have a beneficial impact on the Rupee.

Overall, while merchandise growth is likely to slow – as has already been seen with an exports contraction in Q4 of fiscal 2023, services exports have remained robust. This, together with very high remittance inflows, had resulted in a manageable Current Account Deficit – expected at 2.4% of GDP in fiscal 2023, and this is forecast to moderate even further in fiscal 2024. Consequently, we expect net Balance of Payments to turn surplus, which will further help a stable Rupee, while allowing RBI to replenish its foreign exchange reserves. Inflation is also projected to moderate steadily, with RBI expecting CPI inflation to average 5.1% (down from 6.6% in fiscal 2023). Overall, India's macroeconomics fundamentals remain robust, and is acknowledged to have become a bright spot in an uncertain global environment. While risks to the growth inflation balance still remain, the ongoing structural reforms and economic resilience will help to buffer India's economy from potential shocks.

The Union government's ongoing focus on capital expenditure will help to gradually crowd in private sector investment. However, in line with the slowdown in the broader economy, bank credit growth is likely to moderate in the year ahead, with the divergence between credit and deposit growth coming down. Deposit growth is likely to shade up slightly, with higher interest rates as an incentive, and with an expected improvement in system liquidity conditions in the second half of the year.

OVERVIEW OF FINANCIAL PERFORMANCE

Acquisition of Citibank India consumer Business

The Bank has acquired on a going concern basis the business assets and business liabilities of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ("CBNA") and the NBFC Consumer Business from Citicorp Finance (India) Limited ("CFIL") collectively referred to as Citi India Consumer Business, effective beginning of day 1 March, 2023 (referred to as Legal Day One) without values being assigned to individual assets and liabilities.

The transaction comprises the sale of the consumer businesses of Citibank India, which includes loans, credit cards, wealth management, commercial vehicle, construction equipment loans and retail banking operations. The acquisition provides the Bank with access to a premium customer segment, is a good strategic fit and is completely aligned with Axis Bank's GPS (Growth, Profitability & Sustainability) strategy. The Bank has gained access to the large, affluent and profitable customer franchise of Citibank, which aligns well with its Premiumization strategy.

In accordance with the Business Transfer Agreements (BTAs), the Bank has on Legal Day One paid an Estimated Adjusted Purchase Price aggregating ₹11,602.53 crores based on the position of business assets and business liabilities acquired as at end of day January 31, 2023, and the Bank without prejudice to any of its rights under the said BTAs estimates a further payable

Management's Discussion and Analysis

of ₹346.55 crores as Purchase Price True Up Amount based on its best estimate of the position of business assets and business liabilities acquired as at beginning of day March 1, 2023. The Estimated Adjusted Purchase Price and estimated Purchase Price True Up Amount aggregating to ₹11,949.08 crores are attributable to (i) various intangible business and commercial rights viz. Customer relationship (including contracts), Co-branding arrangements, Business processes/ information, Non-compete rights (collectively "Intangibles") and (ii) Goodwill pertaining to the Citibank India Consumer Business. Based on the report of an independent valuer, Intangibles (excluding Goodwill) were recognized at ₹8,714.24 crores and Goodwill at ₹3,234.84 crores in the financial statements of the Bank. As a prudent measure and to protect its ability to pay dividends, the Bank has fully amortised the said Intangibles and Goodwill through the Profit and Loss account in fiscal 2023.

Operating performance

(₹ in crores)			
Particulars	2022-23	2021-22	% change
Net interest income	42,946	33,132	30%
Non-interest income	16,501	15,221	8%
Operative revenue	59,447	48,353	23%
Operating expenses	27,398	23,611	16%
Operating profit	32,049	24,742	30%
Provisions and contingencies	2,653	7,360	(64%)
Profit before tax and exceptional items	29,396	17,382	69%
Exceptional items	12,490	-	-
Profit before tax after exceptional items	16,906	17,383	(3%)
Provision for tax	7,326	4,357	68%
Net profit	9,580	13,025	(26%)

Operating revenue increased by 23% Y-o-Y (year-on-year) from ₹48,353 crores in fiscal 2022 to ₹59,447 crores in fiscal 2023. Net interest income (NII) rose 30% from ₹33,132 crores in fiscal 2022 to ₹42,946 crores in fiscal 2023. Non-interest income consisting of fee, trading and other income increased by 8% from ₹15,221 crores in fiscal 2022 to ₹16,501 crores in fiscal 2023. Operating expenses (excluding exceptional items) grew 16% from ₹23,611 crores in fiscal 2022 to ₹27,398 crores in fiscal 2023. As a result, the operating profit (excluding exceptional items) grew by 30% to ₹32,049 crores from ₹24,742 crores reported last year. Provisions and contingencies decreased by 64% from ₹7,360 crores in fiscal 2022 to ₹2,653 crores in fiscal 2023. Consequently, profit before tax and exceptional items grew strongly by 69% from ₹17,382 crores in fiscal 2022 to ₹29,396 crores in fiscal 2023. There was a charge in Profit and Loss Account for fiscal 2023 of ₹12,490 crores towards exceptional items arising from acquisition of Citibank India Consumer Business. On account of the exceptional items, the net profit for fiscal 2023 decreased by 26% and stood at ₹9,580 crores, as compared to the net profit of ₹13,025 crores last year.

Net interest income

(₹ in crores)			
Particulars	2022-23	2021-22	% change
Interest on loans	64,554	49,617	30%
Interest on investments	18,179	14,619	24%
Other interest income	2,431	3,141	(23%)
Interest income	85,164	67,377	26%
Interest on deposits	31,733	26,684	19%
Other interest expense	10,485	7,561	39%
Interest expense	42,218	34,245	23%
Net interest income	42,946	33,132	30%
Average interest earning assets ¹	1,069,241	9,54,896	12%
Average Current Account and Savings Account (CASA) ¹	351,085	3,11,178	13%
Net interest margin	4.02%	3.47%	
Yield on assets	7.96%	7.06%	
Yield on advances	9.00%	8.03%	
Yield on investments	6.21%	6.00%	
Cost of funds	4.28%	3.86%	
Cost of deposits	3.94%	3.68%	

¹ computed on daily average basis



NII constituted 72% of the operating revenue and increased by 30% from ₹33,132 crores in fiscal 2022 to ₹42,946 crores in fiscal 2023. The increase was primarily due to an increase in yield on assets by 90 bps and a lower increase in cost of funds of 42 bps. As a result the NIM improved 55 bps on a year on year basis to 4.02% in fiscal 2023.

During this period, the yield on interest earning assets increased from 7.06% in fiscal 2022 to 7.96% in fiscal 2023, due to rising interest rate environment, pricing discipline and mix change undertaken by the Bank. The yield on advances increased by 97 bps from 8.03% in fiscal 2022 to 9.00% in fiscal 2023. 68% of the loans of the Bank are floating rate loans, linked to external/internal benchmark rates. RBI increased the repo rate from 4.00% in fiscal 2022 to 6.50% in fiscal 2023 which led to an increase in the lending rates. The yield on investments also increased by 21 bps during fiscal 2023.

The increase in benchmark rates has also led to tightening in the liquidity conditions and consequently cost of funds for the banking industry also increased. However, the increase in cost of funds has been slower as compared to the increase in yield on assets, partially due to timing difference in repricing of deposits, resulting in strong growth in NII in fiscal 2023 for the Bank.

Cost of funds increased by 42 bps from 3.86% in fiscal 2022 to 4.28% in fiscal 2023. The Bank continued its focus on both CASA plus Retail Term Deposits (RTD) as part of its overall deposit growth strategy. Cost of deposits increased to 3.94% from 3.68% last year mainly due to increase in funding cost of term deposits. Daily average CASA ratio as a proportion to deposits improved by 66 bps in fiscal 2023 to 43.57% from 42.91% in fiscal 2022 which also partly aided in containing the pace of growth of cost of deposits.

Performance against the drivers for the NIM improvement journey of the Bank in fiscal 2023 is as follows:

- Improvement in Balance sheet mix: loans and investments comprised 86% of total assets as at the end of fiscal 2023, improving 242 bps YOY;
- INR denominated loans comprised 95% of total advances at the end of fiscal 2023, improving 340 bps YOY;
- Retail and CBG advances comprised 69% of total advances at March 2023, improving 150 bps YOY;
- Balance outstanding in low-yielding priority sector shortfall deposits declined by ₹11,089 crores YOY with priority sector short fall deposits comprising 2.3% of total assets at 31 March, 2023 as compared to 3.5% at 31 March, 2022;
- Composition of liabilities measured through average CASA% improved 66 bps YOY.

Reported NII included a one-time interest recovery on restructuring of an existing NPA account aggregating to ₹149 crores.

The Bank also earned interest on income tax refund of ₹85 crores in fiscal 2023 as compared to ₹17 crores in fiscal 2022. The receipt, amount and timing of such income depends on the nature and determinations by tax authorities and is hence neither consistent nor predictable.

Non-interest income

Particulars	(₹ in crores)		
	2022-23	2021-22	% change
Fee income	16,216	13,001	25%
Trading profit	(242)	1,627	-
---of which			
Provision for depreciation in value of investments	(596)	264	-
Miscellaneous income	527	593	(11%)
Non-interest income	16,501	15,221	8%

Non-interest income comprising fees, trading profit and miscellaneous income increased by 8% to ₹16,501 crores in fiscal 2023 from ₹15,221 crores last year and constituted 28% of the operating revenue of the Bank.

Fee income increased by 25% to ₹16,216 crores from ₹13,001 crores last year and continued to remain a significant part of the Bank's non-interest income. It constituted 98% of non-interest income and contributed 27% to the operating revenue in fiscal 2023. Growth in reported fee income was mainly on account of increase in business all across segments.

Segmental composition of Fee Income

Particulars	2022-23	2021-22	% change
Retail Banking	68%	64%	+ 4%
Wholesale Banking	28%	32%	- 4%
Commercial Banking	4%	4%	-

Management's Discussion and Analysis

Retail Banking fees constituted 68% of the total fee income of the Bank in fiscal 2023 and grew strongly at 33% on a year on year basis. Fees from retail cards grew 51% on a year on year basis in fiscal 2023 while retail non-card fees registered a strong growth of 23%.

Fee income derived from the Wholesale Bank group accounted for 28% of the Bank's total fee income for fiscal 2023 as against 32% in fiscal 2022. Within Wholesale Banking, granular transaction banking fees grew 24% on a year on year basis. Fee income from the Bank's CBG (Commercial Banking Group) that lends to small and medium enterprises accounted for 4% of the Bank's total fee income for fiscal 2023 and fiscal 2022.

During the year, trading profits without considering impact of provision for depreciation decreased by 74% to ₹353 crores from ₹1,363 crores last year mainly on account of lower profits on the SLR portfolio in fiscal 2023 as compared to fiscal 2022, impacted by the rising interest rate environment. Provision for depreciation in value of investments was ₹596 crores in fiscal 2023 mainly on account of Mark-to-Market (MTM) losses recognized on the corporate bond portfolio due to rate movements, as compared to a write-back in provision of ₹264 crores in fiscal 2022. The Bank does not expect an economic loss on the corporate bond book. 84% of the standard corporate bond book is rated AA+ and above and 99% is rated A- and above.

The Bank's miscellaneous income in fiscal 2023 stood at ₹527 crores compared to ₹593 crores in fiscal 2022, comprising mainly income from sale of Priority Sector Lending Certificates (PSLC) amounting to ₹173 crores in fiscal 2023 and income from display of publicity material amounting to ₹243 crores.

Operating revenue

The operating revenue of the Bank increased by 23% to ₹59,447 crores from ₹48,353 crores last year. The core income streams (NII and fees) constituted ~100% of the operating revenue, reflecting the stability of the Bank's earnings.

Operating expenses

	(₹ in crores)		
Particulars	2022-23	2021-22	% change
Staff cost	8,797	7,613	16%
Depreciation	1,145	1,008	14%
Other operating expenses	17,456	14,990	16%
Operating expenses	27,398	23,611	16%
Cost : Income Ratio	46.09%	48.83%	
Cost : Asset Ratio	2.25%	2.17%	

YOY growth rate in operating expenses moderated to 16% in fiscal 2023 as compared to 28% in fiscal 2022 with operating expenses increasing to ₹27,398 crores from ₹23,611 crores last year. The Bank continued to invest in technology and human capital for supporting the existing and new businesses.

38% of total cost increase was on account of investments in technology and future growth, 22% of the total cost increase was volume linked, 6% of the total cost increase on account of integration expenses and balance 34% was business as usual expenses.

Operating Expenses to Assets %

FY 2022-23		2.25
FY 2021-22		2.17
FY 2020-21		1.96
FY 2019-20		2.09
FY 2018-19		2.13

Staff cost increased by 16% from ₹7,613 crores in fiscal 2022 to ₹8,797 crores in fiscal 2023, primarily due to annual wage revision and a 7% increase in employee strength during fiscal 2023 from 85,815 as at end of fiscal 2022 to 91,898 as at the end of fiscal 2023. Further, it is pertinent to note that the staff cost includes only one month expenses relating to 3,200+ employees who have joined the Bank on 1 March, 2023 as part of the acquisition of the Citibank India Consumer Business.

Other operating expenses (excluding depreciation) increased by 16% from ₹14,990 crores in fiscal 2022 to ₹17,456 crores in fiscal 2023. The increase is primarily due to increase in volume linked costs coming from rising business volumes, investments in technology to support future business growth, higher collection expenses and integration expenses relating to acquisition of Citi India consumer business.

Operating expenses pursuant to the transitional services agreement and other integration expenses to be incurred by the Bank for acquisition of Citibank India Consumer Business will be recognised in the profit and loss account over the period in which the services will be received. The current best estimate of the transitional period is 18 months commencing from 1 March, 2023



and current best estimate of the transitional costs and integration expenses is ~₹2,000 crores. During fiscal 2023, the Bank has recognised integration expenses of ₹217 crores.

The Operating Expenses to Assets ratio increased to 2.25%, higher by 8 bps compared to 2.17% last year. It is again important to note that Citibank acquisition is a pure play retail business which runs at higher operating expenses to assets ratio. The Operating Expenses to Assets ratio for fiscal 2023 does not fully reflect this, as the business was owned by the Bank for one month. The Bank remains committed to consciously invest in its focus business segments. The lower credit cost over the past few quarters has provided some headroom to run operating costs at a slightly elevated level.

Operating profit

During the year, the operating profit of the Bank (excluding exceptional items) increased by 30% to ₹32,048 crores from ₹24,742 crores last year on account of strong growth in operating revenues and partially offset by a moderated growth in operating expenses.

Provisions and contingencies

Particulars	₹ in crores		
	2022-23	2021-22	% change
Provision for non-performing assets	6,025	7,549	(20%)
Recoveries from written off accounts	(2,885)	(2,367)	22%
Provision for restructured assets/SDR/S4A	(34)	1	-
Provision for country risk	8	19	(58%)
Provision for standard assets including unhedged foreign currency exposure	452	126	259%
Provision for other contingencies	(913)	2,032	-
---of which			
Additional provision for delay in implementation of resolution plan	(180)	410	-
Provision for COVID-19 and MSME Restructuring	(599)	912	-
Total Provision and contingencies	2,653	7,360	(64%)

During fiscal 2023, provisions (other than provisions for tax) declined 64% YOY to ₹2,653 crores from ₹7,360 crores last year. Key items of provisions are explained below -

Provisions for NPAs:

The Bank provided ₹6,025 crores towards non-performing assets compared to ₹7,549 crores last year. The decrease in provision for non-performing assets is primarily on account of lower net slippages at ₹3,680 crores in fiscal 2023 as compared to ₹5,760 crores in fiscal 2022.

Recoveries from written off accounts:

The Bank's recoveries from written off accounts in fiscal 2023 increased 22% YOY to ₹2,885 crores from ₹2,367 crores in fiscal 2022.

Provisions for standard assets:

The Bank provided ₹452 crores for standard assets including unhedged foreign currency exposure compared to ₹126 crores last year.

- During the year, the Bank made a provision for standard assets of ₹418 crores as against a provision of ₹188 crores made in fiscal 2022. The increase in standard asset provision is largely on account of book growth.
- Further, during the year the Bank had created provision of ₹34 crores as against a write back of ₹62 crores made in fiscal 2022 for unhedged foreign currency exposure.

Provision for other contingencies:

Provisions for other contingencies for fiscal 2023 had a write-back of ₹913 crores as compared to incremental provision of ₹2,032 crores in fiscal 2022. The reduction is mainly on account of following-

- During fiscal 2023, there was a write-back of ₹599 crores in provision for COVID-19 and MSME restructuring mainly on account of slippages and recoveries. As against the same, there was a provision of ₹912 crores made in fiscal 2022 upon implementation of restructuring under these schemes.
- Further, during fiscal 2023, there has also been a reversal in provision for delay in implementation of resolution plan of ₹180 crores, pursuant to implementation of resolution plan in certain accounts and slippage of certain accounts to NPA.
- Provision for other contingencies in fiscal 2023 also comprised provision on probable legal cases amounting to ₹47 crores. As compared to the same, provision for probable legal cases amounted to ₹215 crores in fiscal 2022.

The Bank has not utilised during the year and continues to hold provisions of ₹5,012 crores as at 31 March, 2023 against the potential impact of COVID-19.

Management's Discussion and Analysis

As at the end of fiscal 2023, the cumulative non NPA provisions held by the Bank amounted to ₹11,928 crores with a standard assets coverage ratio (all non NPA provisions / standard assets) of 1.42%.

Exceptional items

		(₹ in crores)
Sr. No.	Description of Exceptional items	Amount
1	Amortisation of Intangibles and Goodwill in operating expenses	11,949.08
2	Impact of harmonization of policies recognized in provisions and contingencies	232.14
3	Impact of harmonization of policies recognized in operating expenses	129.33
4	One-time acquisition costs recognized in operating expenses	179.27
Total exceptional items		12,489.82

Amortisation of Intangibles and Goodwill

The Estimated Adjusted Purchase Price and estimated Purchase Price True Up Amount aggregating to ₹11,949.08 crores for acquisition of Citibank India Consumer Business are attributable to (i) various intangible business and commercial rights viz. Customer relationship (including contracts), Co-branding arrangements, Business processes/ information, Non-compete rights (collectively "Intangibles") and (ii) Goodwill pertaining to the Citibank India Consumer Business. Based on the report of an independent valuer, Intangibles (excluding Goodwill) were recognized at ₹8,714.24 crores and Goodwill at ₹3,234.84 crores in the financial statements of the Bank. As a prudent measure and to protect its ability to pay dividends, the Bank has fully amortised the said Intangibles and Goodwill through the Profit and Loss account in fiscal 2023, though the Bank continues to have access to the business use for the intangibles.

Impact of harmonisation of policies recognised in provisions and contingencies

During fiscal 2023, the Bank made a one-time provision of ₹232.14 crores mainly arising from non-recurring impact of day 1 cross NPA slippages from acquisition of Citibank India Consumer Business and harmonisation of provisioning policies on portfolio acquired from Citibank India Consumer Business. The same has been recognised under provisions and contingencies in the Profit and Loss Account for fiscal 2023.

One-time acquisition cost and impact of harmonisation of policies recognised in operating expenses

The Bank has recognised ₹129.33 crores arising from impact of harmonisation of various accounting policies and estimates relating to operating expenses for Citibank India Consumer Business. The Bank has also recognised ₹179.27 crores relating to stamp duty and registration cost in relation with acquisition of Citibank India Consumer Business as one-time acquisition cost. The aforementioned expenses are recognised under operating expenses in the Profit and Loss Account for fiscal 2023.

Provision for tax

Provision for tax for fiscal 2023 stood at ₹7,326 crores as compared to ₹4,357 crores for last year. The Bank has chosen not to create deferred tax asset on intangibles acquired during the year which were fully amortised through the Profit & Loss Account. Further the current tax expense for the year is also higher on account of non-deductibility of goodwill. These have mainly led to the increase in provision for tax for the fiscal 2023. The effective rate of tax during fiscal 2023 was 43.34%.

Net profit

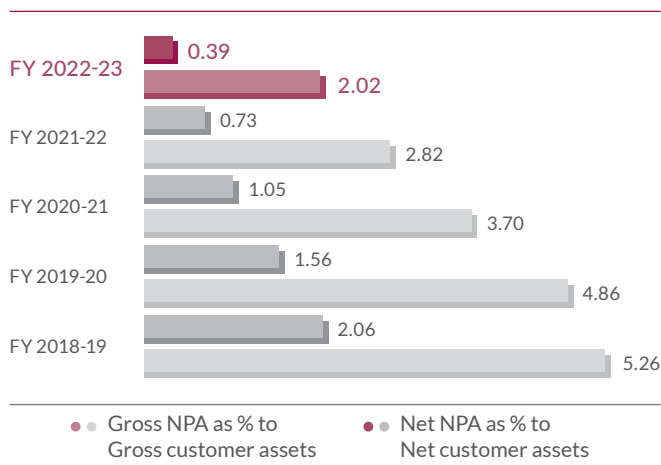
Net profit excluding exceptional items for the year ended 31 March, 2023 increased strongly by 68% YOY to ₹21,933 crores as compared to the net profit of ₹13,025 crores last year. Net profit for the year ended 31 March, 2023 after exceptional items declined and stood at ₹9,580 crores.

Asset Quality Parameters

The asset quality metrics continued to improve during the fiscal, with reduction in NPA ratios year on year. The Bank added ₹14,249 crores to Gross NPAs during the year with the ratio of Gross NPAs to gross customer assets declining to 2.02%, at the end of March 2023 from 2.82% as at end of March 2022. The Bank added ₹3,680 crores to Net NPAs after adjusting for recoveries and upgradations of ₹3969 crores and ₹6,601 crores respectively and the Bank's Net NPA ratio (Net NPAs as percentage of net customer assets) decreased to 0.39 % from 0.73%. The Bank's provision coverage ratio excluding prudential write-offs increased further during the fiscal and stood at 81%. The Bank's accumulated prudential write-off pool stood at ₹38,015 crores as at end of fiscal 2023.



Gross and Net NPA %



During the fiscal, the quantum of low rated pool of BB and below accounts (excluding investments and non-fund based exposure) decreased and stood at ₹3,478 crores as compared to ₹5,778 crores at the end of fiscal 2022. The aggregate outstanding in low rated pool of BB and below investments and non-fund based accounts was ₹673 crores and ₹1,371 crores respectively as at the end of March 2023.

The fund based outstanding of standard loans under COVID-19 resolution scheme at 31 March, 2023 stood at ₹2,047 crores or ~ 0.22% of gross customer assets. The linked non fund based outstanding for which there has been no change in original terms stood at ₹925 crores. Linked non-restructured fund based outstanding stood at ₹186 crores. Outstanding restructured loans under the MSME scheme stood at ₹454 crores. The Bank holds a provision of ₹812 crores on these restructured assets.

Key ratios

Particulars	₹ in crores	
	2022-23	2021-22
Basic earnings per share (₹)	31.17	42.48
Diluted earnings per share (₹)	31.02	42.35
Basic earnings per share (₹) (excluding exceptional items)	71.37	42.48
Diluted earnings per share (₹)(excluding exceptional items)	71.03	42.35
Book value per share (₹)	406.24	374.71
Return on equity (%)	8.47%	12.91%
Return on assets (%)	0.80%	1.21%
Return on equity (%) (excluding exceptional items)	18.38%	12.91%
Return on assets (%) (excluding exceptional items)	1.82%	1.21%
Net interest margin (%)	4.02%	3.47%
Profit per employee (₹ lakh)	10.94	15.54
Loan to Deposit ratio (Domestic)	87.05%	79.66%
Loan to Deposit ratio (Global)	89.27%	86.12%

Reported ratio's for fiscal 2023 are impacted due to one-off impact of exceptional items arising from the acquisition of Citi India Consumer Business. Basic Earnings per Share (EPS) excluding exceptional items was ₹71.37 compared to ₹42.48 last year, while the Diluted EPS excluding exceptional items was ₹71.03 compared to ₹42.35 last year. Reported Basic EPS and Diluted EPS for fiscal 2023 stood ₹31.17 and ₹31.02 respectively.

Return on Equity (RoE) excluding exceptional items increased to 18.38% for fiscal 2023 from 12.91% in fiscal 2022. Return on Assets (RoA) excluding exceptional items increased to 1.82% in fiscal 2023 from 1.21% last year. Book Value per Share increased by 8% to ₹406.24 from ₹374.71 last year.

Loan to Deposit (CD) ratio of the Bank as on 31 March, 2023 was at 89.27% with a domestic CD ratio of 87.05%.

Balance Sheet parameters

Assets

Particulars	₹ in crores		
	2022-23	2021-22	% change
Cash and bank balances	106,411	110,987	(4%)
Government securities	227,754	224,763	1%
Other securities	61,061	50,834	20%
Total investments	288,815	275,597	5%

Management's Discussion and Analysis

Particulars	₹ in crores		
	2022-23	2021-22	% change
Retail advances	487,571	400,142	22%
Corporate advances	265,009	232,582	14%
CBG advances	92,723	75,223	23%
Total advances	845,303	707,947	19%
Fixed assets	4,734	4,572	4%
Other assets¹	72,063	76,326	(6%)
Total assets	1,317,326	1,175,429	12%

¹ includes Priority Sector Lending deposits of ₹30,564 crores (previous year ₹41,654 crores)

Total assets increased by 12% to ₹1,317,326 crores as on 31 March, 2023 from ₹1,175,429 crores on 31 March, 2022, driven by 19% growth in advances and partly offset by 5% growth in investments.

Advances

Total advances of the Bank as on 31 March, 2023 increased by 19% to ₹845,303 crores from ₹707,947 crores as on 31 March, 2022, largely driven by healthy growth in the retail segment. Retail advances comprised 58% of total advances and grew by 22% to ₹487,571 crores, corporate advances comprised 31% of total advances and grew by 14% to ₹265,009 crores and SME advances constituted 11% of total advances and grew by 23% to ₹92,723 crores.

Domestic advances of the Bank as on 31 March, 2023 grew by 23% to ₹811,827 crores from ₹659,856 crores as on 31 March, 2022. Further, domestic corporate advances of the Bank as on 31 March, 2023 increased by 24% to ₹232,946 crores from ₹187,841 crores as on 31 March, 2022.

The retail lending growth was led by Small Banking Business (SBB), personal loan, cards and auto loans. Home loans remain the largest component of retail segment and accounted for 32% of retail loans, rural lending (Bharat Banking) 15%, loans against property (LAP) 10%, personal loans (PL) and credit cards(CC) were 18%, auto loans 11% and Small Banking Business (SBB) were 9%, while non-schematic loans comprising loan against deposits and other loans accounted for 5%.

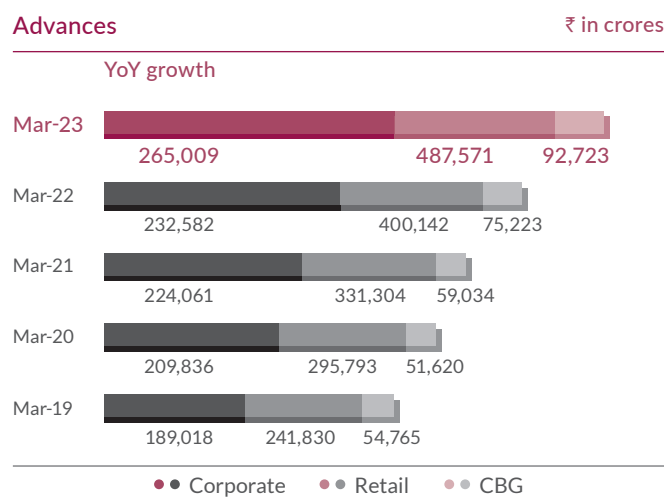
Retail advances as at 31 March, 2023 include advances of ₹25,905 crores from acquisition of Citibank India Consumer Business.

Investments

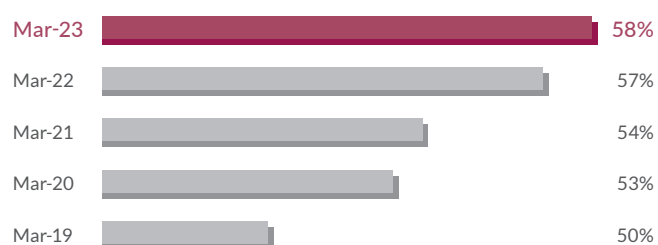
The investment portfolio of the Bank grew by 5% to ₹288,815 crores. Investments in Government and approved securities, increased by 1% to ₹227,754 crores. Other investments, including corporate debt securities, increased by 20% to ₹61,061 crores. 83% of the government securities have been classified in the HTM category, while 59% of the bonds and debentures portfolio has been classified in the AFS category.

Other Assets

Other assets of the Bank as on 31 March, 2023 decreased to ₹72,063 crores from ₹76,326 crores as on 31 March, 2022, primarily on account of decrease in Priority Sector Shortfall deposits to ₹30,564 crores as on 31 March, 2023 from ₹41,654 crores on 31 March, 2022.



Retail Advances as % to Total Advances





Liabilities and shareholder's funds

Particulars	(₹ in crores)		
	2022-23	2021-22	% change
Capital	615	614	0.2%
Reserves and Surplus	124,378	114,411	9%
Total shareholder's funds	124,993	115,025	9%
Employee stock option outstanding (net)	424	149	185%
Deposits	946,945	821,972	15%
- Current account deposits	149,120	127,557	17%
- Savings bank deposits	297,416	242,449	23%
- CASA	446,536	370,006	21%
- Retail term deposits	303,706	286,612	6%
- Non-retail term deposits	196,703	165,354	19%
- Total term deposits	500,409	451,966	11%
Borrowings	186,300	185,134	1%
- In India	148,787	130,747	14%
- Infra bonds	23,480	23,480	-
- Outside India	37,513	54,387	(31%)
Other liabilities and provisions	58,664	53,149	10%
Total liabilities and shareholder's funds	1,317,326	1,175,429	12%

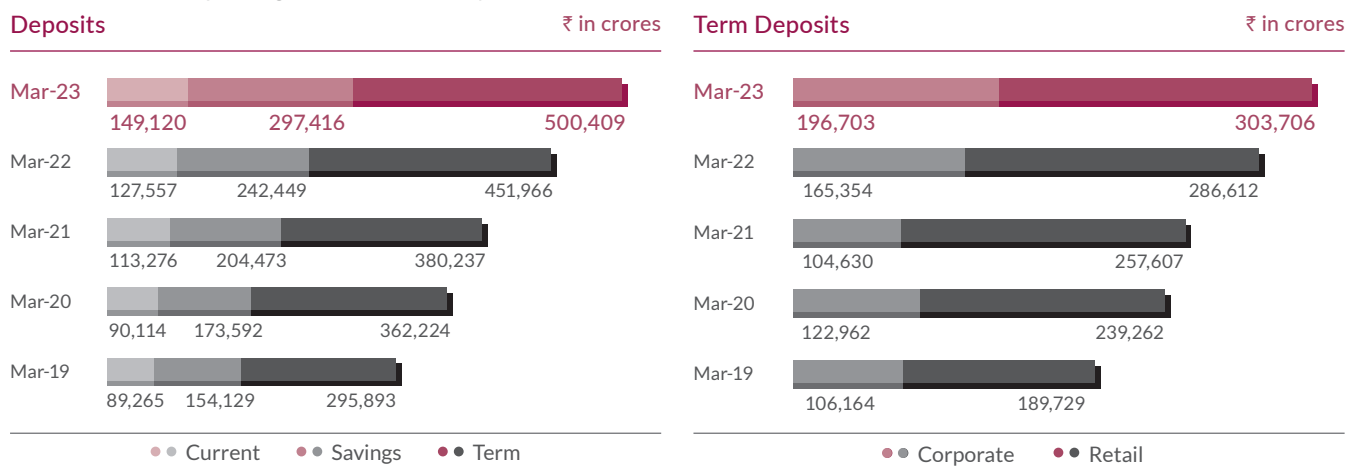
Shareholder's funds

Shareholder's funds of the Bank increased from ₹115,025 crores as on 31 March, 2022 to ₹124,993 crores as on 31 March, 2023. This is mainly on account of profits earned during the year.

Deposits

The total deposits of the Bank increased by 15% to ₹9,46,945 crores against ₹821,972 crores last year. Savings Bank deposits reported a growth of 23% to ₹297,416 crores, while Current Account deposits reported increase of 17% to ₹149,120 crores. As on 31 March, 2023, low-cost CASA deposits increased to ₹446,536 crores, and constituted 47% of total deposits. Savings Bank deposits on a daily average basis, increased by 13% to ₹243,271 crores, while Current Account deposits reported a growth of 12% to ₹107,814 crores.

As on 31 March, 2023, the retail term deposits grew 6% and stood at ₹303,706 crores, constituting 61% of the total term deposits. Non-retail term deposits grew 19% over last year.



Management's Discussion and Analysis

Borrowings

The total borrowings of the Bank increased by 1% from ₹185,134 crores in fiscal 2022 to ₹186,300 crores in fiscal 2023.

Contingent Liability

(₹ in crores)			
Particulars	2022-23	2021-22	% change
Claims against the Bank not acknowledged as debts	1,995	952	110%
Liability for partly paid investments	239	319	(25%)
Liability on account of outstanding forward exchange and derivative contracts:	1,227,784	1,108,371	11%
- Forward Contracts	604,835	517,803	17%
- Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	582,019	542,609	7%
- Foreign Currency Options	40,930	47,959	(15%)
Guarantees given on behalf of constituents	102,363	79,728	28%
- In India	91,764	72,436	27%
- Outside India	10,599	7,292	45%
Acceptances, endorsements and other obligations	52,361	56,942	(8%)
Other items for which the Bank is contingently liable	56,507	45,793	23%
Total	1,441,249	1,292,105	12%

Capital Management

The Bank continues its endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value.

The Bank's overall capital adequacy ratio (CAR) under Basel III stood at 17.64% at the end of the year, well above the benchmark requirement of 11.50% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 14.02% (against minimum regulatory requirement of 8%) and Tier I CAR was 14.57% (against minimum regulatory requirement of 9.50%). As on 31 March, 2023, the Bank's Tier II CAR under Basel III stood at 3.07%.

The organic Axis business accreted 69 bps of CET I excluding exceptional items in fiscal 2023. The Bank consumed 191 bps for the acquisition of Citibank India Consumer Business, after accounting for purchase price, harmonization costs, stamp duty and assets acquired.

Movement of CET I during fiscal 2023	%
CET I as on 31 March, 2022	15.24
Accretion	2.65
Consumption	(1.96)
Decrease attributable to acquisition of Citibank India Consumer Business	(1.91)
CET I as on 31 March, 2023	14.02

The Bank's Risk Weighted Assets (RWA) to Asset ratio as at the end of fiscal 2023 was 65%. During the year ended 31 March, 2023, the Bank raised Tier II bonds amounting to ₹12,000 crores.

The Bank's capital position continues to be strong and is adequate for it to pursue near term growth opportunities with sufficient liquidity buffers.



The following table sets forth the capital, risk-weighted assets and capital adequacy ratios computed as on 31 March, 2023 and 31 March, 2022 in accordance with the applicable RBI guidelines under Basel III.

Particulars	₹ in crores)	
	2022-23	2021-22
Tier I capital	124,048	117,875
Tier II capital	26,116	15,858
Out of which		
- Tier II capital instruments	19,308	9,624
- Other eligible for Tier II capital	6,808	6,234
Total capital qualifying for computation of capital adequacy ratio	150,164	133,733
Total risk-weighted assets and contingencies	851,335	721,356
Total capital adequacy ratio	17.64%	18.54%
Out of above		
- Common equity Tier I capital ratio	14.02%	15.24%
- Tier I capital ratio	14.57%	16.34%
- Tier II capital ratio	3.07%	2.20%

BUSINESS OVERVIEW

During the year, we continued to be guided by the three vectors of Growth, Profitability and Sustainability (“GPS”). The Bank’s aspiration on the key vectors of GPS are:

- **Growth:** Continue to grow deposits, payments, advances and our subsidiaries to reach leadership positions across our businesses and build the foundation of Axis Digital Bank
- **Profitability:** Optimize business mix, improve operating efficiency, sweat existing infrastructure and maintain control over credit cost
- **Sustainability:** Work towards driving execution excellence, enhance risk management, strengthen compliance culture and bolster the core (Technology, Operations and Process Excellence)

As part of the GPS initiatives, under the “One Axis” vision, the Bank is also focused on delivering solutions across the customer value chain by leveraging shared solutions and services across departments and subsidiaries.

During fiscal 2023, we achieved multiple milestones. We completed the acquisition of Citi’s consumer businesses in India ahead of schedule. We gained market share in our focus segments and achieved amongst best-in-class operating and earnings metrics. We continue to have a disproportionate share in digital channels and products. We remain alert to the global macros and its impact on the economy and are well positioned to take advantage of the trends that are emerging in India. We continue to capitalize on these emerging trends and opportunities guided by our GPS strategy. We are driving organization-wide transformation projects to accelerate our GPS journey. These projects will help us in achieving stronger liability relationships, growth in total relationship value, increasing cards market share, delivering tech products faster and improving productivity. Delivery across the key initiatives undertaken by the Bank is visible and we continue to invest in these bank-wide transformation initiatives whose results will more fully play out in due course. We have embedded conservatism and sustainability while driving profitable growth. The bank level distinctiveness initiatives: Sparsh (customer obsession), Digital 2.0 (Digital Bank) and Bharat Banking (tapping the high growth potential in RuSu opportunities) which were set in motion in fiscal 2022, have started to yield early results. We have seen improvement in our NPS scores and have delivered higher growth in RuSu markets.

The Bank remains committed to its GPS strategy of working towards Growth, Profitability and Sustainability over the medium term through various key initiatives across the Bank and each of the business segments.

Retail Banking

The Bank has over the last decade built a strong Retail Banking franchise that continues to be a key driver of the Bank’s overall growth strategy. The Bank’s focused customer-centric approach, strong and differentiated product offerings, along with its wide distribution network remain the core pillars through which it continues to serve the financial needs and aspirations of its customers.

The Retail business segment provides a complete bouquet of products across deposits, transaction services, wealth management and lending products for retail customers, small businesses, NRIs and retail institutions, backed by innovative, digital-first solutions.

Management's Discussion and Analysis

Retail liability products include savings and current accounts and term deposits with features and benefits to meet the banking needs of different customer segments. Retail lending products include home loans, loans against property, automobile loans, two-wheeler loans, commercial vehicle loans, personal loans, gold loans, education loans, credit cards, small business banking loans and agriculture loans among others.

The Bank's Retail Banking business unit also offers other products and services such as debit and credit cards, forex cards, bill payment services and wealth management services. The Bank also distributes third party products such as mutual funds, life and non-life insurance policies, Government bonds, etc.

The Bank's strategy in Retail has been to gain a larger share of the wallet of existing customers, acquire quality new customers, and deliver a best-in-class experience, thus building customer loyalty. In line with its customer centric approach, the Bank continued its strong focus on holistic customer lifecycle management led by its strong data analytics to engage in meaningful conversations and provide the right product proposition. The Bank also developed a structured approach to ensure right segment fitment. This ensures that the right program offers, benefits and services are extended to the customers basis profile and needs. The Bank also continues to focus on digitization of sales, service and branch operations in order to offer hyper-personalized experience and simplified digital journeys. Currently, around 25% to 85% of sales of the Bank across different products are digitally assisted. Digital assisted products have significantly better customer experience, lower costs and better economic outcomes..

During the year, the Bank completed the acquisition of Citi bank's Consumer Businesses in India. Through this acquisition, the Bank has gained access to the large and affluent customer franchise with a bouquet of fee-oriented and profitable business segments, that include a quality cards portfolio, an affluent wealth management clientele and meaningful retail granular deposits. The portfolios acquired are a strategic fit in the Bank's GPS journey towards granularization and premiumization.

The Bank believes that it is well-positioned to capitalize on growth opportunities in the Indian retail financial services market, led by its strong liability franchise, well diversified products portfolio and robust analytics and technological capabilities. The innumerable opportunities and synergies created by acquisition of Citibank India Consumer Businesses will further catapult the Bank on a faster trajectory of growth and service excellence in the Retail Banking space.

During the fiscal year 2023, the Retail segment contributed 63%, 58% and 68% of the Bank's deposits, advances and fee income respectively.

Retail Deposits

The Bank remains focused on garnering stable and granular retail deposits in order to drive its balance sheet growth. Further, enhancing the quality of deposit franchise, especially via granular Individual deposits, has been a key objective for the Bank to support its asset growth. During the year, the Bank reported steady growth in its Current and Retail Savings Accounts that together grew by 18%. Within this, the retail SA deposits grew by 18% and the CA deposits also grew by 18%, while the term deposits grew by 6%. The Bank added 10.8 million new liability accounts during the year with ~4.7 million of them being SA accounts, each being the highest ever acquisition for any year.

The Bank continued to focus on district level segment strategy to build high quality deposits, that saw strong progress during the fiscal with increase in the number of districts where our market share in deposits is higher than 5%. An on-boarding framework was launched to ensure right customer fitment and early engagement to carry out account due diligence in an effective manner. The plan comprises a system driven approach to ensure effective early month on book onboarding & engagement by senior branch resources across 2 defined interventions in the first 30 days which focuses on providing key account details and benefits, profile verification for risk mitigation and digital activation.

Premiumization of deposits franchise continues to be an important imperative for the Bank. As a step towards increasing the premium deposits, the Bank launched a new Priority Banking Program and Ultima Salary Account proposition to offer the best of banking services and life experiences under one bouquet. The program aims to cater to different profiles of the mass affluent segment and partnering them in their life journeys with the best offerings across lifestyle, travel and health combined with superlative banking products. During the year, the share of premium (Burgundy Private, Burgundy, Priority & NRI) SA segment to overall retail SA deposits improved by 870 bps to 55.3% as on 31 March, 2023 led by Bank's focus on premiumization and the recent acquisition of Citibank India's Consumer Business portfolios.

Granular growth from Individual customers has been a key objective for expanding the Bank's Retail term deposits. Harnessing digital acquisition is pivotal to this objective, implemented via offerings such as the industry-first full KYC digital term deposit, acquisition via digital alliances and the industry-first revamped mobile banking journey with one step - 3 click FD booking. As a result, the percentage share of deposits from Retail and Small Business Customers (SBC) in total term deposits has increased by 450 bps (excluding Citibank deposits) YOY as of 31 March, 2023 This is also in line with the Bank's objective to increase the lendable deposit share as the deposit market becomes increasingly competitive.



The Bank continued to work towards leveraging its corporate lending relationships with top corporates to gain higher share in salary segment. During the year, the new corporate salary labels acquired grew by 33% with 20% growth in new salary accounts. Further the addition of 1,600 'Suvidha' corporate labels with best-in-class Salary account customer base, post the acquisition of Citi's business, has further strengthened our Corporate Salary franchise. Additionally, the Bank also went live with 245+ new corporate salary micro-sites. These micro-sites provide an engagement platform for salary customers and keep them informed about the latest product offerings, benefits, offers, digital journeys and can also enable seamless account opening.

Customer Centricity continues to be the emphasis of all our initiatives, and we constantly strive to achieve customer delight. We attempt to create offerings that cater to the ever-changing customer preferences, 'Silver Linings Program' was launched in mid of November 2022, targeting customers who are 57 years and above. The program is unique and is provided complimentary with our Senior Savings Account product and offers a plethora of benefits across wellness, travel, entertainment and convenience.

In order to serve the deposit customers better and deepen relationships with them, the Bank has organically built a well-diversified branch network over the years. The Bank continues to look at the segments and demographic areas that are relevant to the Retail Banking strategy, before setting up a branch. As on 31 March, 2023, the Bank had a strong distribution network with 4,890 domestic branches, 3 Digital Banking Units, 13 extension counters and 156 Business Correspondent Banking Outlets (BCBOs). The Bank also has extensive network of 9,802 ATMs and 6,151 Recyclers, which not only handle the cash deposits and withdrawals, but also serve as self-service and fulfilment centres. The Bank's geographical reach in India now extends to 35 states and union territories and 615 districts.

The Bank has been investing in alternate channels like Axis Virtual Center (AVC) which digitally connects with customers to deliver superior customer experience and deepen the relationship. AVC operates in 6 centers with over 5,000 resources that includes 1,500 Virtual Relationship Managers as on 31 March, 2023. AVC has invested in building robust processes and systems to provide services using digital mode and offers plethora of services like account opening through video KYC, relationship management across customer segments of Burgundy, Priority, Prestige and Prime including payments assistance, retail loans, cards portfolio products and investment products to both domestic and overseas customers.

During the year, the Bank initiated and incorporated VCIP Digital Savings Account Journey for all the non-branch banking channels. The Bank further rolled out a personalization engine to drive customer level deepening and boost products per customer, through various digital mediums like SMS, Email, Mobile App, Internet banking, website and Whatsapp. The communications are hyper-personalized basis individual customer profile, transaction patterns, spends behaviour and life stage and hence directed to only those services and products which the customer would most likely be interested to take from the Bank. Furthermore, each of these nudges also provide the customer to fulfill the service or avail the product end-to-end on the platform itself, without any physical intervention or visit to the branch.

Retail Lending

The Bank's Retail loan book has witnessed strong growth of over 21% CAGR in the last 10 years with a significant diversification in mix over time. The Bank has a comprehensive and yet customized product suite which enables it to cater to all credit-worthy customers. During the year, the Bank continued its business mix optimisation by driving higher growth in its focused product segments and high yielding products. Aided by the Bank's strong data analytics capabilities, the Bank's unsecured segments like personal loans, cards and small business loans continued to grow at a faster pace than the overall retail book growth. The Bank's unsecured to secured mix in the overall retail book stood at 22:78 as of 31 March, 2023.

While the Bank continues to gain a larger share of the wallet of the existing customers, digitization enables us to acquire quality new customers and deliver best-in-class experience. The Bank has undertaken multiple transformation projects across the product segments in order to improve the customer experience and productivity and performance of our employees while reducing the overall turn-around times.

The investments in digitization and technology have been the cornerstone of the Bank's growth strategy. The Bank continues to focus on digitization of sales, service and branch operations in order to offer hyper-personalized experience and simplified digital journeys. Digital Home Loan journey for APF (Approved Project Financial) projects has empowered the Bank to provide real-time sanction to the customer at the builder site. The Bank's Maximus Lending platform for Auto Loans is helpful in building strong OEM partnerships and hence strengthen the market positioning. Digital loans contribution to total Auto Loans disbursements has increased from 9% to 18% in fiscal 2023. Digital Personal Loans have been growing at a steady pace led by end-to-end DIY journeys that contributes more than 55% of the Personal Loan business. The Bank's transformational project 'SBB Sankalp' has further improved efficiencies while delivering superior TATs by re-imagining and digitizing underwriting systems and loan disbursals. More than 45% of the Business Loans are disbursed end to end digitally..

The Bank continues to source ~80% of the customers through the ETB and KTB channels with branches playing a critical role. The Bank has entered into several strategic partnerships and developed proprietary KTB scorecards on partner data. The Bank is also leveraging its universal underwriting capabilities and account aggregator capabilities while deploying use cases based on alternate data to source new customers.

Management's Discussion and Analysis

The Bank continues to invest in building risk management and analytical capabilities to mitigate risks and improve the profitability of its retail products. The Bank calibrated its underwriting criteria across product lines based on profiles, industries and nature of products and has also re-calibrated scorecards to reflect the inherent risk in borrower profiles. Through product design and pre-selection, the Bank sources the lower risk customer base and continues to monitor the portfolio by identifying early risk indicators. The Bank's prudent credit evaluation policies and processes have enabled it to maintain a well-balanced portfolio and develop a calibrated approach to managing NPAs.

Bharat Banking

The credit demand in Rural & Semi Urban (RuSu) markets has been buoyant on the back of several government interventions to improve livelihoods, market linkages in both input & output, income diversification from agriculture to non-agriculture, improving agriculture productivity and integration of the country through both physical and digital infrastructure. Agriculture, the backbone of the RuSu markets, is also witnessing tailwinds backed by higher adoption of technology, better use of data, efficient delivery of government schemes to boost farmer's income, penetration of alternate distribution such as CSC in deeper markets and the rise of Agritech companies. These structural changes are accelerating demand for financial services, giving the Bank an opportunity to deliver at scale, profitably in the RuSu markets.

The Bank had created a 'Bharat Banking' unit in fiscal 2022 as part of its distinctiveness initiative to drive higher growth and increase market share in RuSu markets. The Bank believes that it is well positioned outperform in this market enabled by its large & deep distribution, a comprehensive product suite catering to all financial needs, strong relationships with the agri value chain be it corporates, new age companies, or any financial institution; and proven lending & underwriting capabilities that have been customised for these markets.

The Bank's first branch with a new rural centric design went live in fiscal 2023 and the Bank intends to replicate the same in order to significantly improve its visibility in RuSu markets.

In fiscal 2023, the Bank took several initiatives to create a distinctive business model that resulted in a 37% YOY increase in disbursements (excluding IPBC), 26% YOY increase in Rural lending book and 15% growth in deposits from RuSu regions. The growth has been secular across both retail and institutional businesses.

The Bank has a strong distribution network in RuSu markets with 2,137 Bharat Banking branches that is complimented by a large CSC (Common Services Centers) network of 60,600+ VLEs (Village Level Entrepreneurs). During the year, the Bank scaled up its CSC VLE network by 54% VLEs and launched several initiatives that has resulted in 7.5X growth in disbursals YOY through this channel. The Bank plans to replicate this success with several other partnerships. In fiscal 2023, the Bank also announced partnership with marquee names such as India Post Payments Bank, Airtel Payments Bank, ITC etc. that will further enhance its distribution.

The Bank had undertaken a digital transformation exercise and in the last one year delivered key projects such as e-KYC Bio-Metric based CASATD, enabling low-cost liability sourcing at partner locations. The Bank operationalised an end-to-end digital co-lending platform, and revamped customer journey for KCC and gold loans. We have also selected an industry leading platform to make our customer journeys best-in-class, giving strong impetus to the low cost & customer centric business model.

The Bank remains sharply focused on the profitability of the business and took several measures for NIM expansion. The efforts to build a multi-product sales architecture is seeing green shoots led by significant momentum in cross sell of both asset and liabilities and large increase in volumes & productivity from Bank's dedicated multi product distribution team. The Bank has also accelerated its journey towards self-sufficiency in PSL by originating more PSL compliant business.

Even as the current credit environment has been benign, the Bank remains watchful. The Bank took several steps to strengthen the risk and governance in the 'Bharat Banking' segment such as launching a Bharat specific risk framework and guardrails, investing in training of staff & partner network on governance & strengthening the partner on-boarding process.

The Bank remains committed to improving the financial inclusion across the country and has trained 1.2 million customers under its flagship Financial Literacy program. In addition, the Bank has revamped its Government Sponsored Schemes strategy that will further its endeavor of deeply impacting the lives of population living in RuSu markets.

Retail Payments

The payments industry has in the recent years witnessed a significant shift in the customer spending pattern, with tremendous increase from cash to non-cash transactions. With the government promoting digital payments aggressively that have gained wider acceptance by customers, the industry has seen massive developments and there remains a large opportunity for further growth.

The Payments business continues to be at the core of Bank's Retail Banking strategy as it signifies the face of the franchise, increasing customer engagement and driving profitability. The Bank continues its focuses on building iconic payment products to deepen customer engagement and cater to the digital payment users.

During the year, the Bank saw positive traction in credit cards market share with strong growth in acquisitions, cards in force as well as spends. The Bank sourced 4.2 million cards in fiscal year 2023, highest ever for any year led by its strong data analytics capabilities and Known to Bank (KTB) strategy.

The acquisition of Citi's card business is complementary and strengthened the Bank's position as fourth largest Credit Card player in India, with the addition of a high quality portfolio having one of the highest spends per card across industry. The Bank's card advances market share improved by 450 bps to 16.3%, with the healthy accretion of ~38% to our existing card advances as of 31 March, 2023. The Bank had 12.1 million cards in force with a market share of 14.2% as on 31 March, 2023. The credit cards business also touched the highest ever yearly spends of over 1,35,000 crores, yet another milestone for the business.

Our co-branded card 'Flipkart Axis Bank Credit Card' achieved yet another significant milestone of 3.5 million cards, after having crossed the 2 million mark last fiscal, making it one of the fastest growing co-branded portfolios since its launch in July 2019. The Axis Bank spends on partnership cards continue to outperform industry in terms of activation and card usage with better risk outcomes. During this fiscal year, we scaled up our co-brand credit card offering with Airtel. We also partnered with a leading consumer durable company "Samsung" and launched co-brand credit cards in two variants; catering to both mass and affluent segments

The Bank has enhanced its partnership with NPCI by introducing its IOCL Credit Card on the RuPay network. As a result, the Credit Card Business is now supported by 3 networks.

During the year, the Bank focused extensively on enriching the customer experience by improving processes and eliminating bottle necks in terms of infrastructure. The Bank now has the latest technology platform with higher processing capacity, additional APIs and a PA DSS (Payment Application Data Security Standard) compliant system.

The Bank in its Merchant Acquiring business is the second largest acquirer in the country with an installed base of 13.92 Lakhs terminals serving all categories of merchants from the urban and rural areas. The Bank's active terminal base increased by 46% Y-o-Y with an increase in incremental market share to 26% over the last 1 year.

The Bank also continues to invest heavily in creating state-of-the-art merchant user experiences. During the year, the Bank launched first of its kind "Pin on Glass" – an NFC enabled system which accepts Cards QR and Sodexo method of payment. This provides an increased number of alternatives for the merchant to accept payments seamlessly.

The Bank continues to focus on improving the total relationship value of the merchant, in order to create a profitable merchant franchise. The Bank has rolled out several products such as insurance, credit cards, business loans, savings account, current account etc. that can be offered to the merchant if he has an acquiring relationship with the Bank.

In the UPI payments space, the Bank continues its efforts towards distinctiveness in becoming one of the leading payment franchises in the country by driving continued growth and focus on seamless customer experience. The Bank maintained its strong positioning in UPI with a market share of 17% as Payer PSP by volumes and 18% in the P2M acquiring throughput as of March 2023. The Bank continues to partner with new fintech players with the objective of growing the UPI transactions for Axis Bank. Launch of Prepaid Payment Instrument (PPI) on UPI for Freecharge wallet users and UPI for NRI customers was a further demonstration of the Bank building new capabilities to drive the organic volume growth of UPI transactions. The Bank now has more than 64.4 crore customer VPAs registered as on 31 March, 2023.

The Bank continues to focus on building a robust IT infrastructure and upgrading IT capabilities due to which the Bank has one of the lowest technical decline rates in the industry.

Retail Forex and Remittance business

The Bank offers a range of forex and remittances products to its retail customers, which include forex cards, inward and outward wire transfers, remittance facilities through online portal as well as through collaboration with correspondent banks and exchange houses.

The Bank continues to be one of the largest players in prepaid forex card market with its flagship offering of Multi-currency card that allows users to load 16 currency options in one card.

In line with the objective of increasing digital adoption for retail forex transactions, the Bank now issues close to 68% of its retail forex cards through the digital platform. Remittances through the digital platforms also continue to grow steadily, and contributed to half of all retail remittances. Another focus area that the Bank identified is the overseas student segment where the solutions offered currently are fragmented and cumbersome. To address this gap, the Bank launched a programme – Axis Bank 'HORIZON' that aims to provide a comprehensive suite of products like Forex Cards, Outward remittances and Education Loan to students and their parents who wish to travel abroad for education. The Bank aims to make Axis Bank HORIZON a one-stop shop for all financial needs of students and their parents with convenient and intuitive digital journeys.

The Bank also continues to source NRI accounts digitally from non-face-to-face channels. The Bank has registered strong year on

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year growth in number of accounts opened via digital channels, with an average funding of ~1.6 lakhs in these accounts. This year the non-face-to-face acquisition mode was made live for "Burgundy Private" segment, the average funding in "Burgundy Private" accounts opened via non face to face has been healthy at ~₹28 lacs.

During the year, the Bank has launched instant and real time UPI payment system for NRIs through BHIM Axis Pay app or via any third-party app like Paytm, Phone pe. This has been enabled for NRO accounts and Foreign national long term account holders with Indian registered mobile.

Third Party Distribution

The Bank is one of the leading distributors of third party products including mutual fund schemes, life insurance, health insurance and other general insurance policies. The Bank distributes comprehensive investment and protection solutions, to cater to the diverse needs of each customer segment, adopting tech-enabled delivery mechanisms across all customer touch points. During the year, Third Party Distribution business contributed significantly to Bank's retail fee income on back of its strong partnerships, contextual product launches, wide distribution strength and digital initiatives.

With a total mutual fund AUM of ₹51,794 crores, the Bank has maintained its ranking during the year to the third largest banking distributor in the industry and had 10.9 lakhs mutual fund customers as on 31 March, 2023. The Bank through its dedicated in-house research desk, identifies the best mutual fund schemes based on qualitative and quantitative parameters. Currently, the Bank distributes mutual funds schemes of 21 major Asset Management Companies, through its relation teams, branch network and digital channels based on the customers' lifecycle and investment requirements. The Bank also offers various Alternate Investment Products to its customers from select product providers, as approved by SEBI.

The Bank offers online as well as offline trading services to its customers in collaboration with Axis Securities Ltd. under the brand name Axis Direct. Through its relation teams and branches, the Bank has sourced more than 4.3 million total customers for Axis Direct with 6.4 lacs customers being added in fiscal 2023.

The Bank is one of the largest Bancassurance player for Life Insurance, by volume among private sector banks in India. The Life Insurance fee income has grown by 14% in fiscal 2023 against an industry growth of 16%. Lower growth in LI business was on account of the Product Mix shift to traditional business. Traditional business mix for fiscal 2023 increased to 65% from 49% in fiscal 2022. The life insurance partners of Axis Bank include Max Life Insurance, Bajaj Allianz Life Insurance and Life Insurance Corporation of India.

Axis Bank's non-life insurance partners include TATA AIG General Insurance, ICICI Lombard General Insurance and Go Digit General Insurance in general insurance segment and Aditya Birla Health Insurance and Niva Bupa Health Insurance in health insurance segment.

In the process of integrating the Citibank India Consumer Business, the Bank in fiscal 2023 signed corporate agency agreements with TATA AIA Life Insurance and Birla Sun Life Insurance in life insurance segment and with Royal Sundaram General Insurance, The New India Assurance, Bajaj Allianz General Insurance and HDFC Ergo General Insurance in the general insurance segment.

The Bank's strategy of adopting an open architecture has enabled the Bank to strengthen the penetration in core channels and develop alternate new age avenues for offering a wide range of products to its customers.

The Bank continues to focus on reimagining end to end journeys and build a digital ecosystem for investment products on its mobile banking app and internet banking to ensure seamless access anytime, anywhere. The Bank has an innovative user-friendly digital interface - Axis Marketplace - to facilitate distribution of insurance solutions. Axis Marketplace offers third-party products integrated directly with insurance partner systems thereby providing seamless journeys and instant issuance facilities.

Wealth Management

The Bank's wealth management business 'Burgundy' continued its growth journey and further consolidated its position among the top wealth management franchises in the country. The consolidated assets under management grew to INR 3.6 trillion as on 31 March, 2023, representing a 29 % CAGR growth in the last 6 years.

Burgundy Private, a proposition for the Bank's UHNI customers, that we launched 3 years back continues to scale greater heights with AUM of nearly ₹1.4 trillion. Burgundy Private now includes 30 of the Forbes 100 richest Indians as its clients and manages wealth for over 11,000 families across 27 cities in India, up from 3,490 families last year (215% YoY).

In a short span of three years, Burgundy Private has not only established itself in India but has also been recognised at international forums with the following awards:

- "Best private bank for client acquisition, Asia" at the 5th Annual Wealth Tech Awards by Financial Times, UK

- Outstanding Marketing Campaign by a Private Bank/Family Office (Winner) at the 4th Annual Global Private Banking Innovation Awards by Global Private Banker, Singapore
- Outstanding Digital Marketing Campaign by a Private Bank/Family Office (Highly Acclaimed) at the 4th Annual Global Private Banking Innovation Awards by Global Private Banker, Singapore

After the immensely successful first edition of “Burgundy Private Hurun India 500 Most Valuable Companies”, Burgundy Private continued its collaboration with Hurun India with the launch of the second edition in December. This new edition celebrates the leadership of India’s top companies, including those from the new economy.

One of the latest entrants in the private wealth management market in India, Burgundy Private focused on building a best-in-class bespoke platform. Burgundy Private continues to leverage the ‘One Axis’ initiatives and has built a strong operating rhythm with key business units within the Bank. Additionally, to cater to Burgundy Private customers be-spoke requirements, the Bank has tied-up with strategic external partners to offer Estate Planning, Family Office Solutions, Real Estate Advisory, Tax & Regulatory Advisory, Structured Credit solutions and Offshore Investments.

Burgundy Private now has a team of 128 Burgundy Private Partners with an average working experience of over 18 years. They are supported by 70 Service Partners. Burgundy, on the other hand is much larger with 486 Relationship Managers, 275 Premium Service Managers and 110 Wealth Specialists and is offered through more than 4,300 branches across the country This has helped provide specialised banking & wealth management services to HNI customers in the growing Tier 2 and Tier 3 cities as well.

The Bank provides wealth management and protection needs through an open architecture platform with products and solutions carefully selected from amongst the best providers in the market. The Bank’s core wealth management system at the backend (which is being further upgraded) along with a multi-channel front-end platform ensures that it is able to provide investors with updated and regular information about their bank accounts and investment portfolios as a 24x7 experience.

The acquisition of Citibank India’s Consumer Business has been a natural fit for our strong ‘Burgundy’ franchise to accelerate the Bank’s growth ambitions. Citibank’s affluent clientele backed by global best practices in client servicing and operations complement Axis Bank’s Burgundy platform, with very little overlap. The acquisition has consolidated our position as the country’s top wealth management business. These clients will now be able to benefit from our One Axis proposition, avail of an even wider product palette in both investments and insurance, enjoy better deposit rates and bank seamlessly using our wider branch and ATM network. There are significant synergies that we will utilize over the coming quarters to deliver higher value to customers.

During the year, the Bank launched several first-time initiatives under ‘Sparsh’, a bank-wide initiative towards Customer Obsession and service excellence. ‘Sparsh Bootcamp’, a well-crafted training program for Burgundy Relationship Managers embedded with the core principles of customer obsession, was executed in the first half of fiscal 2022 with 100% completion by all Burgundy Relationship Managers along with their supervisors. The Sparsh Bootcamp will now be included as a standard module for all Relationship Managers as part of their induction training program.

The Bank test launched the industry first venture “The Burgundy Promise”. It aims at a much faster resolution of select Burgundy service requests within a TAT of 6 working hours. It also provides customer’s a real time tracking mechanism (via the digital channels - internet banking and mobile app). The test results have been very successful with a 96% level of TAT adherence.

The Bank has recently launched Burgundy ‘Circle of Trust’ proposition that provides multiple points of connect and is envisaged to strengthen the institutional relationship with the Customers. The team of experts includes – Relationship Manager, Service Relationship Manager, Branch Relationship Head, Wealth Specialist and Branch Head.

‘Investment Perspective’, an initiative to empower Burgundy customers with knowledge and information on the Global and Indian equity & fixed income markets from the senior most Fund Manager’s in the industry has been very well received and the feedback from all customers who participated across multiple cities has been exceptional.

Priority Sector Lending

The Bank continues to pursue a focused strategy on achieving the Priority Sector Lending (PSL) targets and sub targets prescribed by the regulator. The Bank also continues to undertake activities that promotes financial literacy and awareness of the banking services with an aim to cover the under banked borrowers under this PSL drive.

The Bank as part of Bharat Banking strategy, has been working towards increasing its presence in specific rural and semi urban geographies across India, that offer high potential for growth in rural advances and MSME lending. During the year, the Bank continued to focus on augmenting the small ticket size loans, crop loans to small and marginal farmers and microfinance business targeted at women borrowers from low income households. The Bank also enhanced its digital lending channels to facilitate quicker turnaround time for sanction and disbursement of loans to MSME borrowers.

The Bank’s PSL achievement during fiscal 2023 was 42.53% as compared to the stipulated target of 40% of Adjusted Net Bank Credit. The Bank through organic book and purchase of PSL certificates (PSLC) achieved the PSL targets at the headline level

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as well as at each sub-segment level in fiscal 2023. During the fiscal 2023, the Bank purchased PSLCs of an aggregate amount of ₹38,000 crores at a cost of ₹945 crores and sold PSLCs of an aggregate amount of ₹80,514 crores and earned income of ₹173 crores.

Digital Banking

Digital banking is a key strategic initiative and an area of distinctiveness for the Bank. In the last 4 years, the Bank has made significant progress on digital outcomes and capability building.

The Bank's digital aspirations are backed by proprietary capabilities. One of the early calls made by the Bank was to build capabilities inhouse. Today, the Bank has over 1,750 people across departments focused on furthering the digital agenda. The Bank has a 390+ member inhouse full stack engineering team, and today a large number of the Bank's digital products are built inhouse. The Bank has a 35 member design team and additionally a large digital products and digital marketing team as well. The Bank has also invested in best-in-class platforms across the DevSecOps pipeline, cloud infrastructure as well as developed its own platform for design (Sub-zero). Taken together these put the Bank at the forefront of providing cutting edge digital solutions to its customers with significant growth in metrics across digital adoption, usage, transactions, servicing and sales.

In line with the stated aspirations that it had laid out in 2019, the Bank has launched Axis 2.0 – a Digital Bank within the Bank. Axis 2.0 comprises all products that are originated and fulfilled end-end digitally, with sourcing, sales and processing done digitally. Axis 2.0 is set up as an independent business within the Bank. Axis 2.0 is now fully functional with over 20 products across liabilities, loans (e.g. PL, BL, AL), investment products (e.g. MF, digital gold, PPF, NPS), insurance, forex, etc.

During the fiscal 2023, the Bank continued to make several investments and launch new products and services leveraging digital. Among the most important initiatives include launch of a revised and enhanced mobile banking version with Hyper personalization of customer experience, and introduction of new redesigned journeys for FDs, Bill Pay, remittances, lending (Auto loans, Small Business loans and Gold loans) among others. The Bank also launched and migrated customers to a new internet banking platform and made significant enhancements to credit cards platform. The Bank also launched best in class API developer portal with expanded suite of over 400 APIs across retail and corporate segments.

The Bank has built best in class personalization capabilities towards its objective of becoming the leading customer centric bank. 10,000+ hyper personalized nudges have been developed across 2,500+ customer features for Axis Mobile, the world's No.1 rated mobile banking app on the Google Play store with rating of 4.8 and over 2 million reviews. This analysis is based on a review of over 59 banks, 8 neo banks and 50 Indian fintechs. The Bank has ~12 million monthly active users on its app and on average an active user visits the app 15 times a month.

The Bank has made good progress in porting capabilities from Axis 2.0 to the rest of the Bank.

The Bank has also made strong progress in 'Project Neo', a greenfield project, that the Bank had embarked on its transformational journey to be India's #1 digital Wholesale Bank. The Neo products stretch beyond reimagining the digital journeys – one of the key focus areas has been to provide an open banking experience while navigating a myriad of technology systems. Neo offerings focus on customer centricity with cutting edge market competitive end-to-end digital & flexible solutions. It offers industry first end-to-end digital onboarding solution for corporates with best in industry corporate API developer portal with 95+ live open banking APIs across Transaction banking products with B2B enablement and industry first plug and play solution for seamless ERP integration to wide domain of banking API services through "Axis Neo Connect". It also offers best in class SMEs and MSMEs commercial banking proposition – "Neo for Business"

The Bank's efforts on the digital front continue to get multiple external recognitions by the industry. The Bank was awarded the best Digital Bank in the country by Financial Express. The Bank also received awards for Customer Engagement of the Year for Axis Neo Connect by Economic Times (ETBFSI), Best BFSI MSME Support for Axis Neo Connect and Best BFSI Customer Experience for API Banking Suite by Dun & Bradstreet and the Best API initiative for Project Neo API Banking Suite by Asian Banker.

Wholesale Banking

The Bank today is amongst the best and most comprehensive Wholesale Banking franchises in the country catering to all the Banking needs of a corporate across lending products, investment banking, capital markets and transaction banking with linkages to the Retail Bank.

Over the last few years we have been strengthening our client focus in the wholesale bank. This has meant getting deeper into certain segments and consolidating the existing ones. With a view to further sharpening our approach in the market and refining the coverage architecture, we strengthened our leadership team and reorganized the coverage groups with a focus on optimizing our coverage approach and presence in key geographies.



During fiscal 2023, the Bank continued with its approach to deepen client relationships and provide holistic banking solutions by capturing the entire corporate value-chain leveraging 'One Axis' capabilities across the Bank's various business segments and its subsidiaries.

The Bank's Wholesale Coverage Group provides entire bouquet of products and services including cash credit facilities, demand and short-term loans, project finance, export credit, trade, forex and derivative solutions, payments and cash management systems, tax payments, salary accounts and trust services, commercial and credit cards etc. with the support of a well-defined Wholesale Banking Products team. The Bank's offerings are specially designed to meet all financing requirements to our coverage clients which now encompasses a diverse customer group.

The Bank's Wholesale Coverage serves diverse customer segments ranging from SMEs, Start-ups, Large and mid-corporates, MNCs, Financial institutions and intermediaries, PSUs and Government departments through its sharpened coverage structure, as follows:

- **Commercial Banking Coverage Group (CBG):** Caters to businesses with turnover between ₹10 crores to ₹350 crores.
- **Mid-Corporates:** Covering all corporate clients with turnover between ₹350 crores and ₹1500 crores;
- **Large Corporates:** Covering all corporate clients with turnover greater than ₹1500 crores;
- **Focused Segmental Coverage:** Covering PSUs, Government-owned entities, Multi-national companies and Financial institutions

As part of its Open Customer centric approach, the Wholesale Bank has been at the forefront of bringing new digital products and services that help transform customer experiences. One of the key focus areas for the Wholesale Bank has been to lead with Digital; and to become the best-in-class Digital Corporate Bank in India as part of its project 'Neo'. During the year, the Bank made strong progress in its project 'Neo'. The umbrella of initiatives under Neo from Axis Bank have been designed keeping in mind the evolving customer preferences, the ecosystem evolution and the need to be benchmarked against the global best-in-class propositions. The Bank also remains on track for migration of its fully integrated state-of-art Treasury system as a part of its technology upgrade.

During the fiscal 2023, the Bank's domestic corporate loan book grew by 24% over fiscal 2022. Focus segments such as the Mid Corporate and CBG delivered higher growth of 38% and 23% respectively.

The Bank continues to focus on delivering higher relationship RaRoC, with focus on granularity and broad client base. During the year, the Bank's strategy of sectoral approach to portfolio diversification and credit continued, where the focus was on identifying sector specific opportunities and risks and grow accordingly.

For the second year in the row, the Bank was adjudged #1 on the Quality Index for both Large Corporate and Middle Market banking in the Greenwich Banking Survey 2022.

Approximately 89% of new sanctions in the corporate book were to companies rated 'A-' or better. Presently, 89% of outstanding standard corporate book is to companies rated 'A-' and above. The Bank continues to be amongst the leading private sector banks in the Government Banking space in India. The solution-oriented approach along with the strong relationship management has helped us create a sustainable business franchise.

In current fiscal, the business has witnessed strong growth across all major Government initiatives like SNA, CNA, PFMS and various state schemes. The Bank remains committed to support various development and digital initiatives of the Government and has managed to win record number of close to 1,000 new mandates. With continued focus on granularity, the Bank managed to expand its government SA deposit base in the Cat B and Cat C centres which contribute to a substantial portion of the deposit Book.

The Bank remains focused on offering customized solutions for the unique banking requirements of its varied customers and has developed unique working models for its customers, creating distinctiveness for the Bank and sustained investor value in the long term. Case in point is the integrated coverage model which the Bank has developed for the New Age Companies (Startups) and their investors/financial sponsors, which is helping the Bank to grow in this segment in a profitable yet prudent manner, balancing the risks involved. Aided by the Bank's customer-centric products & services backed by a strong technology platform, the Bank is able to create value for New Age companies by helping them scale up their business and also create value for the financial sponsors for their portfolio investments.

During the year, the Bank's overseas branch in Dubai International Financial Centre (DIFC), won the 'Customer Service Excellence' award in the Banking category at the Middle East International Business Awards and the Le Fonti Awards for Banking & Innovation, 2022.

Commercial Banking

The MSMEs contribute to 30% of India's GDP, 45% of India's exports and 45% of India's workforce. The Commercial Banking Group (CBG) addresses the banking needs of MSMEs and is one of the fast-growing business segments of the Bank.

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CBG business continued to grow and gain market share in fiscal 2023 with its highlights being the high levels of PSL contribution and its contribution towards building a robust Current Account book with predictable streams of Trade and Forex business.

CBG has a deep geographical reach (189 CBG Centres across India) with an extensive product suite to address customer needs. CBG offers both enterprise banking solutions for the business and personal banking solutions for the business owners & employees.

As on 31 March, 2023, the CBG business book stands at ₹92,723 Crores and constitutes 11% of the Bank's total advances.

CBG is continuously building towards simplified digital e2e process to ensure quicker loan origination to disbursement through enablers like Digital Financial & Banking Analyser, automated prefilled credit note, system generated sanction letter, automated account opening form etc.

Relationship Managers are supported through digitally enabled data insights and alerts to enable supporting the customers with the right timely solution.

The asset quality in the CBG segment remains stable as a result of continuous monitoring of exposure through usage of various Early Warning Systems. The net NPA in SME segment stood at 0.33% with provision coverage ratio of 71% as of 31 March, 2023.

Wholesale Banking Products

The Bank has strengthened its proposition as a Transaction Bank of Choice across Current Account, Cash Management, Trade & Supply Chain Finance, Capital Markets and Custody and gained market share. Our focus has been on providing differentiated, integrated product propositions to our clients across corporate, commercial banking, financial institutions, and government segment.

One of the key GPS focus areas for the Wholesale Bank has been to lead with Digital. Neo from Axis Bank is the branding under which it is being delivered. The umbrella of initiatives under Neo from Axis Bank have been designed keeping in mind the evolving customer preferences, the ecosystem evolution and the need to be benchmarked against the global best-in-class propositions. The product and channel roadmap covers APIs, Corporate Internet Banking and Mobile App, Host to Host integration and Partnerships.

Cash Management

The Bank offers comprehensive cash management solutions across all segments. Notable amongst the differentiated product propositions launched this year is "Axis Receivables Suite (ARS)". Using ARS, Axis Bank clients can automate their collections and optimise their working capital. The Bank has also implemented new payment hub for handling the fast-growing NEFT volumes of API Banking customers thereby making them and us future ready.

The Bank is progressively increasing its market share in Bharat Bill Payment System (BBPS) ecosystem & has been amongst the first bank to launch B2B category in BBPS. The Bank continues its leadership position in terms of number of biller onboarding and highest number of transactions amongst private banks & has been leading the way for adding new category of billings like insurance, dairy and piloting new initiatives with NPCI, billers & fintech partners. The Bank has won a DigiDhan Award 2021-22 for the maximum on-boarding of billers on BBPS platform.

Trade and Supply Chain Finance

The Bank offers a complete suite of Trade and Supply Chain Finance products and solutions – for both domestic as well as international trade. These solutions are offered via various digital channels and through our branch network. Dedicated team of product specialists – both in Sales, Product and Operations support clients across Exports, Imports, Bank Guarantees, Working Capital Optimisation, Liquidity & Risk Management solutions.

Some key initiatives launched and being scaled up are:

- e-BG execution through NeSL
- Cross border payments & LC issuances initiated by corporates through SWIFT India
- Integrated Supply Chain Finance

The Bank is working closely with the Government e-Marketplace (GeM) to offer automated solutions for advising electronic performance guarantees to Government departments /organizations /PSUs and facilitating BG issuances by suppliers on GeM.

Current Account

The Bank's focus on becoming the Transaction Bank of choice resulted in the current account balances growing 17% during the year. The Bank had launched onboarding journeys using TAB, SMART Form and web links to increase the digital penetration. Launch of digital current account proposition for merchants, newly incorporated customers and specific industry-based propositions for Pharma, Textile and Agriculture are helping us become the Transaction Bank of choice.



Treasury & Markets

The Bank's Treasury & Markets function comprises of Asset Liability Management (ALM), Forex Trading group (including Currency Derivatives & Bullion), Interest Rate Trading (IRT) (including Rupee Derivatives) & Primary Dealership, Non SLR Trading (including Equity), Debt Capital Markets – DCM (Domestic DCM & International DCM), Treasury Sales, Loan Syndication and Treasury Technology & Governance team.

The Bank's 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.

The Bank's Forex Trading Group is a major participant in the foreign exchange and derivatives market and undertakes proprietary trading and market making in forex and derivatives products.

The Internal Risk Trading (IRT) desk plays an important role of market making and trading in G-Sec, OIS & other interest rate products. The Bank is a primary dealer (PD) of Government securities. Our PD desk ensures mandated bidding commitments, success ratio & turnover ratio for T-bill auctions/ G Sec are achieved for the year. The Corporate Bond & Equity Trading desk undertakes primary and secondary market investments in corporate bonds, commercial papers, certificate of deposits and equity instruments.

The Bank continues to remain a dominant player in the Debt Capital Market (DCM) segment. The Bank had maintained its leadership position, for the 16th consecutive year (as per Bloomberg league tables), as the number one arranger in the Calendar Year 2022 for rupee denominated bonds. The Bank also has a growing International Debt Capital Markets franchise with mandates from leading corporate issuers for their international bond issuances. The desk has demonstrated a track record of arranging several ESG (Environmental, Social & Governance) compliant issuances. The Bank successfully concluded the largest bond issuance in its history. This 10 Year Tier 2 bond was oversubscribed by 16% from various investors, making it the second largest bond issuance by any Indian bank. The Bank also won "The Best sustainable linked bond" award for Sustainable Finance 2022.

Treasury Sales works closely with coverage team to provide customised risk management and hedging solutions to our diverse clients. The solutions provided are across a range of products including FX, Derivatives, Fixed Income and Commodities, and the breadth of customers we serve allows us to make competitive prices across these wide-ranging products. The Bank's key strengths in complex and structured risk management solutions, hedging advisory and execution skills makes it rank among the leading Treasury solutions provider in the country.

The Bank's Loan Syndication desk is responsible for arranging loan facilities for corporate clients on underwriting/ arranger/ best-efforts basis while also undertaking secondary sale and purchase of loans. The desk, being active in both domestic and international loan markets, plays an integral role in balancing the risks and returns on the Bank's corporate loan book. The Treasury Technology & Governance (TTG) team oversees the Treasury technology implementation and ensures appropriate governance framework is in place before new products are rolled out to customers / undertaken in Interbank market. The Murex Project (Single integrated Treasury system) remains the top priority and is being implemented in a phased manner given the scale. The project is expected to go live by fiscal 2025.

Customer Experience and Transformation (CXT)

With a vision to become India's most customer-centric bank, the Bank is committed to deliver world-class customer experiences by intervening across four interrelated layers – listening to customers, optimizing all customer journeys, enabling employees to engage with customers, and transforming the core operations supporting all customer experiences.

A. Listening to customers: The Bank's Voice of Customer program is designed on the three pillars of "Listen", "Learn", and "Act". In fiscal 2023, we launched a customer feedback management platform which enabled us to send and monitor feedback in real time, ensuring the learnings from customer feedback is embedded within the Bank, raising the bar by challenging what is perceived as the norm, and delivering delight through our customer conversations.

Listen: As a part of the Voice of customer program, we now cover journeys that encompass all critical lines of business in retail and wholesale banking. A well-established metric, Net Promoter Score is used to track and measure the success of enhancements made for products and services.

Learn: Through artificial intelligence and machine learning, the Bank continues to enhance its ability to extract insights by analysing all forms of written and verbal customer feedback.

Act: Drawing on these insights, actions are triggered to allow near real time response by relevant colleagues to customers providing feedback – this is tracked and reported at all levels of disaggregation, down to every individual.

B. Optimising all customer journeys: The Bank continues to delight customers by re-crafting all key onboarding and servicing journeys at every touchpoint. Multiple customer journeys across the Bank have been reimagined using customer feedback, disruptive technology and deep insights. We continue to see positive results - digital onboarding of merchants via an

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assisted mobile app haws significantly reduced the rework and has doubled the productivity. Additionally, we are focusing on document simplification for Large corporates by rationalising the sanction letter length.

- C. Enabling employees to engage with customers:** Providing a great customer experience requires empowering, motivated colleagues with the time and capability to engage in deep, meaningful conversations with customers.

For example, the Bank has completely digitised the way of working for frontline employees through analytics driven, mobility app. This platform has key features such as customer 360 view, simplified product journeys, action-oriented analysis of entire portfolio, contextual nudges continuously optimised through machine learning. This platform is live for Premium Banking frontline employees and at different stages of implementation for other business functions within the Bank.

The Bank has freed up employees' time by eliminating operational activities and digitising key processes. Wholesale Banking Relationship Managers and branch colleagues, for instance, now have additional time to spend understanding their clients' needs and designing and delivering the right solutions

- D. Transforming core operations that support all customer experiences:** The Bank continues its journey to transform core operations this year through a digital-first approach by incorporating emerging and trending technologies into its core operations. Leveraging intelligent automation (Robotic Process Automation, Intelligent Optical Character Recognition), analytics (e.g. route optimisation for cash handling) and digitisation in addition to core simplification and process re-engineering, processes continue to become more efficient, effective and scalable.

As a means of scaling up further, the Bank will use Cognitive Bots to make decisions and reduce processing times, Intelligent Document Processing for unstructured documents for a paperless environment along with conversational AI for risk-free & effective customer communication.

Customer Obsession - "SPARSH"

The Bank continues its multi-year customer obsession journey of Sparsh as part of its distinctiveness initiative. It is a strategically prioritized program, with focus on driving cultural transformation and crafting customer delight journeys in order to build customer experience as a true differentiator for the Bank and ultimately drive customer loyalty.

Sparsh behaviours framework advocates staff to deeply embed basic but critical behaviours while handling customers like seek feedback in every interaction, close loop with unhappy or detractor customers. Various rituals are designed and launched to ensure uniformity of these behaviours leading to uniform experience at various customer touch points. These behaviours are monitored and governed in order to build mass movement and focused efforts have been taken for large channels like Branches, Relationship Managers and Inbound voice channel.

The Bank continues to strengthen and build more granular measurements of the critical metrics which captures customer voices, like NPS (Net Promoter Scores), complaints, social media sentiments and various operational process efficiency metrics. NPS is measured for all important journeys of the Bank. Under Sparsh framework, efforts are being taken to fix hygiene and also build tentpoles at the same time. Structural work to improve customer experience through combined approach of people behaviours and process capabilities has led to improvement which is evident and validated through improving Net Promoter Scores.

Business Intelligence Unit

The Banks' Business Intelligence Unit (BIU) team has the mandate to create data assets and monetize them via various business decisions and strategies. The team has numerous success stories in the areas of risk management, marketing, product innovation and operational optimization. These use cases span across diverse business areas of the Bank including retail lending, credit cards, retail deposits, wholesale banking products, commercial banking group, operations etc

There are over 650 members in the team who are young and techno-functional with an expertise in data engineering, data science algorithms and quantitative approaches.

The Bank has invested in new age data science and engineering platforms – Big Data Lake, Micro Services-based architecture, and Analytical Work Bench to deliver value in traditional/non-traditional use cases. There has been upward trend in the adoption rate of these platforms. The Bank's focus on Artificial Intelligence (AI) & Machine Learning (ML) along with traditional analytics has helped internal stakeholders to make data driven business decisions.

During the year, the BIU team has deployed 100+ diverse use cases in 10+ business domains helping significantly contribute to our GPS agenda. We have continued the journey of "to be distinctive" by taking personalization to next level with on-ground implementation, deliver data stack 3.0 with scaled up use cases and enabling universal underwriting goals via alternate data with the objective of creating differentiated customer experiences in line with the Bank's focus on customer obsession & going digital.

Data stack 3.0 is the modern and scalable architecture which will help us in deploying 1,000+ use cases. The Bank also focused on creating new age digital solutions by leveraging on partnerships with E-commerce and FinTech companies. It has improved customer underwriting by using various alternate data sources such as Satellite-image derived farmland data, payments score



etc. The Bank is also leveraging 100+ data features from alternate data sources to build best in industry standard 50+ distinctive models. Custom build scorecards based on Partners data is enabling targeting wider range of Known to Bank (KTB) customers which has helped us in sourcing 30%+ cards per month via partnerships. The Bank has also been the first bank to develop & deploy in house rural lending scorecards for segments like Agri KCC, Farm Equipment, Tractor Finance. The Bank developed first of its kind, fully secure, cloud-native Income estimation for both On-us and Off-us customers.

The customer base qualified for data-based lending has increased from 24% (in fiscal 2017) to 56% (fiscal 2023), The Bank's proprietary scorecards enabled 80% of the entire disbursements in lending area. The scorecards have 1.5x more predictive power than CIBIL Scores. Further, the Bank's database programs contributed 66% of Personal Loan sourcing and 79% of new cards sourcing in fiscal year 2023. Analytics has driven 30% of term deposits through targeted customer campaigns. Further data driven market mapping is helping to drive 10% of CBG business. The Bank continued its focus on using scientific & data driven tools for hiring. BIU has conducted Datathons /Hackathons to provide new-age learning platforms. BIU has setup a strong data quality & data governance framework with six-sigma scorecards being deployed across its data infrastructure.

The Bank's Personalization project won "Economic Times DataCon awards", "Cypher - Data Engineering Excellence Awards" during the year.

Information Technology and Cyber Security

The Bank's Information Technology (IT) strategy remains guided by the Bank's GPS strategy and its aspiration of becoming India's most valuable bank while focusing on customer obsession & delight through integrated technology capabilities. The Bank continues to focus on the 6 key imperatives that include end-to-end customer journey digitization, accelerating delivery, modernizing the core to deliver profitable growth, fix the basics to build a sustainable franchise, talent & culture, and risk & governance.

The Bank has been focusing heavily on expanding its technology capabilities. Over the past 3 years, IT spend has gone up by 2.5x while the IT team size has increased by ~100%. The Bank manages all banking applications through a talented 1,750+ member central IT team with strong domain capabilities in banking, treasury, channels, payments, and collections, along with technical expertise.

During the year, the IT department continued execution of 36 key initiatives to facilitate its journey towards driving sustainable growth, improving customer experience with the help of digital banking, leveraging payments business capability, sustained focus on analytics, and providing self-assisted capability to customers. Over the past year, IT team has successfully closed 17 key initiatives in varied areas such as core upgrades, employee enablement and digital-first offerings.

The Bank retained strong position in digital banking with the Axis mobile app being world's highest rated mobile banking app on Google Play store with a rating of 4.8 and around 12 million monthly active users. The Bank continues to add to its 250+ services portfolio on digital channels, eliminating the need to visit branches for basic servicing. Additionally, the Bank has 24 digital services on Branch of the Future (BOTF) channel across assets and liabilities including critical services such as address update for NRI customers, demand draft request, interest certificate for loan, and repayment schedule for loan.

The Bank remains committed to its open ecosystem proposition with its focused API strategy and has built 95+ dedicated partnerships across platforms. The Bank has adopted 'Next Gen integration' by deploying more than 400+ APIs on its Developer portal with 80+ crore monthly transactions across 200+ external gateway partners. The Bank continues to roll out new APIs to enable digital customer journeys and partner on-boarding leading to reduced time to market.

The Bank continued its journey towards Hollowing-the-Core to become future-ready with a modernized Core. The Bank became first amongst peers to create a separate UPI instance for P2M elite merchants and gained leadership position in UPI Payer PSP category. Additionally, Hollowing-the-Core initiatives are undertaken on areas such as General Ledger, Lending, Inquiring, BNPL, and Account Opening to increase capacity and improve performance of the core systems.

The Bank is the first amongst peers to create 3 Cloud landing zones (AWS, Azure and GCP) to support its multi-cloud strategy and has an architectural Cloud-first, Cloud-native approach. The rapid pace of cloud adoption, driven by a dedicated Cloud COE (Centre of Excellence), has helped the Bank to drive business innovation at a faster pace. Using automation and SOPs, the Bank reduced its infrastructure provisioning TAT by ~90% compared to comparable on-premises solutions. With 100+ containerized environments and 3,000+ virtual machines, the Bank has been able to run its core applications in any environment from a private data centre to the public cloud. The Bank has 76 critical applications on Cloud as of March 2023 and is targeting to take 70% of its applications on cloud by 2025.

The Bank has two primary data centres located in Mumbai (co-located) and Bengaluru (owned). Both data centres have n+1 redundant architecture for power and cooling distribution. Business applications are strategically spread between the two data centres for active setup at one DC and resiliency at other DC. Both data centres are in different seismic zones and are connected through a redundant wide-area network which is connected to all branches and office locations. Additionally, the Bank has set up a refreshed Near DR (Disaster Recovery) for critical apps with improved infra availability at 99.99% at its Bengaluru Data Center

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location. The Bank regularly conducts disaster recovery drills for critical applications to ensure continuity readiness in the event of disaster. Bank has enhanced resiliency of critical applications with automation tools that provide real-time visibility on DR readiness and DR operations.

Additionally, the Bank continues to build capabilities in emerging technologies of AI, ML, Automation, and Data Analytics. The Bank has 2,990+ RPA bots in action and 1,480+ automated processes, and is targeting best in class efficiency for RPA, Voice, and IOCR. During the year, the Bank continued to introduce, and scale new products driven by its zero-based redesign philosophy. The redesigned customer centric journeys enable minimum to no data entry with automated underwriting.

The Bank has been recognized as No. 1 in Corporate Loan Agreement Digital Document execution through National E-Governance Services Limited (NeSL). DDE with NeSL was enabled for CBG & WBCG Customers from November 2022 aiming to improve customer experience with paperless, around-the-clock, online payment mode enabled and easily accessible service. Till now, 26k transactions have been completed and E-stamping has been made live in 21 states and UTs.

The Bank is committed to the highest standards of data security and privacy and continues to invest to enhance its capabilities. The Bank follows a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. The Bank has deployed its cyber security structure and framework based on National Institute of Standards and Technology (NIST) Standard. The Bank's cyber security framework is built and operated around five fundamental areas including Identify, Protect, Detect, Respond and Recover. The Bank is compliant to ISO27001 and The Payment Card Industry Data Security standards (PCIDSS), and the Bank has recently acquired ISO27017 Cloud Security Certification for its AWS and Azure cloud, this is a first in the Indian Banking sector and demonstrates an enhanced cyber security resilience and security controls on the Bank's cloud assets.

The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System. 100% of the digital products of the Bank are under Dark Net / Deep Web monitoring. The Bank has a Bitsight Rating of 800 out of 900 (with 820 as maximum possible score) indicating a well-controlled internet facing security posture. The Bank's current BitSight score is higher than 90% of the Banking and Finance entities tracked by Bitsight. The Bank is also moving to a zero-trust architecture internally, adding security technology and process controls. The Bank has conducted exclusive workshops on cyber security for 800+ mid and senior management employees.

The Bank has deployed Cyber Security controls to protect its information assets from unauthorized access, hacking attempts, data loss, external cyber-attacks, etc., and has implemented various detection and monitoring technologies, to proactively detect and respond to any cyber threats. Some of the controls are as follows:

- ✓ Multifactor authentication has been enabled for users on all cloud platforms.
- ✓ Enhanced WFH Security controls have been enabled with additional security against malware & websites with bad reputation.
- ✓ Secure and isolated environment for remote access to critical systems, to prevent sensitive data leak or unauthorized access.
- ✓ Advanced End-Point controls and Data Leakage Prevention (DLP) control to detect and prevent endpoints being target of cyber-attacks.
- ✓ Spam and Phishing emails protection have been enabled to protect against email-based cyber-attacks that were rampant during the pandemic.
- ✓ 24x7 security monitoring along with usage of Cyber Security Threat Intelligence to detect malicious underground activities against the Bank.
- ✓ In addition, the above to the controls; Bank has also enabled enhanced monitoring for remote users to detect and prevent; any unauthorized and unusual remote access, user access to Bank systems from unusual geographies, concurrent user access from different locations, etc. and data leakage monitoring for Web channel, Email channel and End Points

Information & Cyber Security governance framework is in place at a strategic level through the Board, Risk Management Committee, Information Technology & Digital Strategy Committee and at an executive level through Information System Security Committee which oversees the Bank's Information and Cyber Security initiatives so that those controls commensurate with the risks and threats applicable to the Bank and its information assets.

RISK

The Bank continues to focus on strengthening the risk management capabilities by working on six dimensions – comprehensive coverage of risks, enhance models for measuring and monitoring risk, driving actioning to address risks, building technology and data capabilities, strengthening the people front and building a robust risk culture.

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 composed of policies approved by the Board of Directors and an independent identification, measurement and management of risks across the various businesses of the Bank. The Bank's risk management function 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.

Risk Governance

The Board is the Apex Governance body on all matters of risk management. The Board of Directors exercises its oversight over risk management both directly and through its Committees, namely the Risk Management Committee, the Audit Committee of the Board, the Special Committee on Large Value Frauds and the IT & Digital Strategy Committee.

Executive Risk committees are constituted to look at specific areas of risk and are mandated by the Risk Management Committee of the Bank. These are: Credit Risk Management Committee (CRMC), Asset Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC), Information Systems Security Committee (ISSC), Central Outsourcing Committee (COC), BCP & Crisis Management Committee (BCPMC), Apex Committee and Subsidiary Management Committee (SMC).

Risk Architecture

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 supplemented by periodic validations of the methods used and monitoring through the sub-committees of the Board.

Credit Risk

Credit risk is the risk of financial loss if a customer, borrower, 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, customer, 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. Credit models used for risk estimation are assessed for their discriminatory power, calibration accuracy and stability independently by a validation team.

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.

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 covers 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.

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Risk Department 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 and in the Risk Appetite Statement. 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.

The Bank follows a historical simulation approach to calculate Value at Risk (VaR) with a 99% confidence level for a one-day holding period in a 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 ALM policy is supplemented by other liquidity policies relating to intraday liquidity, stress testing, contingency funding plan and liquidity policies for each of the overseas branches.

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. 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 its 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 LCR /NSFR in accordance with the RBI guidelines and the defined risk appetite of the Bank.

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.

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 Information System 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 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.

Business Continuity Plan

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. With effective Business Continuity Plan in place, the Bank has effectively managed to run its operations by adapting to various continuity / mitigation plans.

Information and Cyber Security Risks

The Bank pursues a holistic Information and cyber security program with a comprehensive Information Security policy, Cyber Security policy and standards based on industry best practices with compliance to regulatory guidelines. These policies are aligned with the regulatory directives on Information and Cyber security and with global best practices like NIST, ISO27001:2013, PCI DSS etc.



The governance framework is in place at executive level with Information System Security Committee constituting key business functions meeting at least once in a quarter to assess the threat landscape and validate the controls enforced in the Bank commensurate with the cyber risks.

The Bank has invested in strong technical and administrative controls to proactively prevent, detect and contain and respond any suspicious activity. Bank is compliant to ISO27001 standard and PCI DSS standard. The Bank conducts various assessment to identify and remediate risks before any application and/or IT infrastructure component is deployed. These assessments include Application security, vulnerability assessment, penetration testing, security architecture review data security assessment etc. Bank also has adopted defense in depth methodology to protect its valuable assets from intrusion by malicious actors. The Bank has 24 x 7 Security Operation Center (SOC) to keep vigil on its digital assets and coordinates with RBI, Indian Computer Emergency Response Team (CERT-IN), National Critical Information Infrastructure Protection Centre (NCIIPC), National Payments Corporation Of India (NPCI) etc. for implementation of their recommendation to strengthen its defense against cyber-attacks.

Strategic initiatives undertaken in fiscal 2023

The Bank has invested in strengthening the risk infrastructure across multiple dimensions. During fiscal 2023, the Risk Department enhanced its coverage of risks by comprehensively strengthening the model risk framework. The Department also initiated steps to build toolkits that would help assess emerging risks such as ESG as well as support emerging areas of distinctiveness for the Bank like Bharat Banking. It also strengthened toolkits around Credit EWS.

Further, it conducted an organisation wide exercise around training mid-level officers in cyber security so as to cascade the cyber security awareness to the frontline.

The Bank also continued to focus on actioning around its operational risks and put in place timebound plans to address the top critical risks facing the Bank. A digital risk framework was also put in place and continually enhanced to enable the Bank to buildout its digital strategy in a risk – sensitive manner.

The Risk team remains focused on supporting the Bank in implementing its GPS strategy in a risk – sensitive manner. To that end, the team has identified five most critical initiatives for fiscal 2024 around ESG risk, Bharat Banking, cyber security, universal underwriting and risk & compliance culture. These will contribute to a credit – led growth thrust in retail and rural space while balancing those with considerations of ESG and cyber security, as well as building sustainability through a robust risk culture. The plan also includes undertaking other initiatives around subsidiary risk, operational risk, vendor risk, fraud risk and digital risk.

Successful implementation of these initiatives will help the Bank to achieve its GPS objectives in a sustainable manner.

Subsidiary Governance

Axis Bank oversees its subsidiaries to ensure adherence to corporate governance principles. The Bank is committed towards continuously improving internal controls and overseeing its subsidiaries as a financial conglomerate (FC).

To ensure the alignment of governance practices at the Group (Axis Bank and its subsidiaries) level and to positively engage the Group, the Bank has established a Subsidiary Management Committee (SMC). This committee also helps implement the theme “One Axis” by sharing uniform practices and building synergies between Group entities.

The Bank continues to undertake several initiatives to strengthen the governance framework under the supervision of the Subsidiary Management Committee (SMC). The Governance Framework also focuses on aligning key functions within the organization, such as Risk, Compliance, Audit, Human Resources, Finance, Information Technology, Cyber Security, Legal, Corporate Communication, Marketing, and Secretarial Practices.

Compliance

The Bank follows Board approved policies to ensure compliance with the regulatory requirements, which are updated annually to factor in the changing and increasing regulatory and supervisory requirements and expectations, as well as other good practices. The Board and senior management spend a significant amount of time to monitor level of compliance across verticals in business & operations, while emphasizing zero tolerance for non-compliance to regulatory requirements. The Board has mandated compliance and risk culture related metrics to be an important part of the performance appraisal of the whole-time directors & senior management, with a clear direction to build & sustain a strong culture of compliance across the Bank.

The Compliance department conducts independent assessment of status of compliance as well as compliance risk score for all the units across the Bank & reports to the audit committee of the board as well as to the Board, at regular intervals. The Compliance team also highlights the important areas that the committee or the Board needs to review & monitor closely and provide guidance to the management, wherever necessary, to improve level of compliance. Such directions are followed up in terms of action taken report, till they are closed satisfactorily.

Compliance testing is used by the Compliance team as one of the important tools to monitor regulatory compliance and to report any gap or deficiencies in complying with the regulatory requirements by any unit. Compliance testing exercise is followed by root

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cause analysis (RCA), carried out by the concerned unit under the guidance of compliance officers, to build sustainable remediation & avoid repeat failures. Apart from strengthening the RCA framework at regular intervals, based on learnings, the Bank has now launched a repository of RCAs to measure the effectiveness of these RCAs in terms of eliminating repeat or sustenance failures.

The Bank has strengthened the accountability framework, which is applicable to every employee of the Bank. The accountability framework envisages providing independent feedback by the assurance functions, comprising of Risk, Compliance & Internal Audit departments, that in turn flows into the process of annual review of compensation, reward, recognition and progression within the organization.

The Board of the Bank emphasizes the importance of first line of defence, through business and operations, to ensure compliance to regulatory requirements, while it mandates the second & third lines of defence, through assurance functions comprising of Risk, Compliance and Internal Audit, to perform their respective roles in preventing & detecting gaps & deficiencies, in an efficient & timely manner, so as to mitigate losses, including reputational losses, caused due to such deficiencies, gaps or non-compliance.

The Bank continues to emphasize on imparting relevant training and certification programs for the employees and the Board in order to ensure timely and comprehensive compliance by the Bank.

The Bank has strengthened its compliance processes & workflows and continues its initiatives by using workflow based & other available tools, to make the process of compliance simple & efficient for every stakeholder within the organization.

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 following 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 Risk Based Internal Audit has been designed after factoring regulatory guidelines and also international best practices. The policy has a well-defined architecture for conducting Risk Based Internal Audit which 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 Risk Based Internal Audit (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, off-site audit and thematic audit reviews have been integrated into the internal audit process in order to make the function more robust.

Keeping pace with digitalisation in the Bank, the Internal Audit function has also undertaken several technological initiatives for providing enhanced efficiency and effectiveness through technology driven audits. The Internal Audit function has an effective mix of resources with technology and functional skill sets for effectively conducting technology driven audits. The Audit function is continuously enhancing the skill sets of the audit resources towards technology driven audits, for making the Internal Audit Function agile and responsive towards the emerging and strategic risks.

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

Corporate Social Responsibility (CSR) & Sustainability

CSR

Aligned to the Bank's 'OPEN' philosophy, the Bank has, with the guidance of its Board and the CSR Committee (the Committee) of the Board, continued to expand the scale and impact of its CSR initiatives towards creating a long-standing impact in communities across the length and breadth of the country.

The Bank's CSR activities continue to be guided by the CSR Policy and operate within the contours of CSR regulations. During the year, with the guidance of its Board and senior leadership and with an aim to adopt a more focused approach, the Bank has strategically identified and adopted the themes of Lives and Livelihoods, Education, Financial Literacy and Financial Inclusion, Environmental Sustainability, augmented by need-based and relief interventions to channelize its CSR efforts. Additionally, the Bank has also identified specific regions in the country, such as the Aspirational Districts identified by the NITI Aayog or India's Northeastern states which are lagging the national average on many developmental indices, where it aspires to scale up its efforts and reach of interventions.

The Bank's CSR interventions continue to be delivered directly, through credible implementation partners and the Axis Bank Foundation.

Under the theme of Lives and Livelihoods, Axis Bank Foundation's flagship Sustainable Livelihoods program continues to make steady progress towards its Mission 2 Million target, that aims to support 2 million rural households and improve their livelihoods by 2027. The Program works across the socio-economic spectrum in rural and semi-urban India, from small and marginal farmers, rural landless, women, and youth, among others, focused on creating opportunities or imparting the skills that enhance their incomes via a wide variety of interventions.

During the year, the Bank continued to significantly expand its CSR focus on education, supporting and expanding its interventions under this theme in various parts of the country.

The Bank's flagship intervention in education, Axis DilSe, that was launched with an aim to provide children from remote regions and communities in India with opportunities to better learning, scaled up significantly during the year, scaling existing partnerships and launching new ones, primarily in the North-east of the country. Axis DilSe currently covers five North Eastern States – Assam, Arunachal Pradesh, Manipur, Nagaland and Sikkim as well as Odisha.

In fiscal 2023, the Bank completed its third year of partnership with the Sunbird Trust to support the Lyzon Friendship School in rural Manipur, with the various interventions helping expand its student strength to over 430 as of 31 March, 2023. The Bank's partnership with Ayang Trust in Majuli, Assam to support the Hummingbird School completed its second year. The School had 250 children from the predominant Mising tribe, as of 31 March, 2023. The Bank is working with Ayang Trust to build long-term flood resilience in the communities residing in Majuli island.

In a unique partnership with the Indian Army and implementing partner – National Integrity and Educational Development Organisation (NIEDO), the Bank is supporting the establishment of unique Centres of Excellence that aim to provide vulnerable youth, particularly from the North-east, with the highest quality of coaching and mentoring to enable them to participate in various competitive exams in India. Such Centres of Excellence, which shall be fully residential, have been set up and are being set up on Indian Army's campuses in Manipur, Nagaland, Arunachal Pradesh, and Maharashtra, with NIEDO providing the coaching and mentoring to the carefully selected students. As of 31 March, 2023, 90 students were being mentored in total across all such Centres.

In Sikkim, the Bank is working with its partner 17,000 Ft Foundation to upgrade 50 Government primary schools in rural Sikkim that includes creation of playgrounds, refurbishing classrooms, refurbishing existing libraries by adding age-appropriate books, especially in their native languages, strengthening teacher training, and setting up of DigiLabs, a solar-powered, digital literacy learning solution, with an intention to providing the children in the rural areas an opportunity to access better learning avenues. The Bank in partnership with Tata Steel Foundation, is undertaking the program covering the entire Odapada block in Dhenkanal District that seeks to provide access to out-of-school children to enroll into the education system by availing of age-appropriate bridge education courses, aid students with learning deficit through a Learning Enrichment Program, and setting up libraries in around 165 schools, among other activities.

The Bank continues to support scholarships to enable students from economically weaker backgrounds, especially women to access high quality higher education in STEM. The "Axis Bank Scholarship Program" at Ashoka University, Haryana provided scholarships to 78 women undergraduate students (over two phases) pursuing STEM-related disciplines at the University during the year. The "Axis Bank Scholarship Program" at Plaksha University, Punjab, provided scholarships to 26 students pursuing undergraduate degree programs, during the year, who are predominantly women from economically weaker backgrounds and from Tier 2/3 towns. The Bank continues to partner with the JSW Foundation to support the unique 'Museum of Solutions (MuSo)' in Mumbai, that aims to open its doors in fiscal 2024.

During the year, the Bank entered into a strategic partnership with the Indian Institute of Sciences (IISc), Bengaluru to support the establishment of the 'Axis Bank Centre for Mathematics and Computing' on the university campus. The Centre shall be a first-of-its-kind, multi-disciplinary centre of learning providing advanced degrees, supporting cutting edge research, and supporting the global knowledge eco-system in general. The Bank continues to support the establishment of the Pediatrics speciality ward in the upcoming IISc Medical School.

The Bank has during the year expanded its interventions under the Financial Literacy and Financial Inclusion theme. The Bank's Financial Literacy and Financial Inclusion Program under the name 'Axis Sachetana', being implemented by the Retail Microfinance vertical under Bharat Banking, reached over 1.1 million women participants in 24 States, helping create greater awareness on personal financial management and health and wellness. During the year, the Bank partnered with CSC Academy to launch 20 mobile digital literacy vans that will traverse across 20 identified locations imparting digital and financial literacy to communities. The Bank has also partnered with National Institute of Securities Markets (NISM) to undertake financial awareness and literacy interventions aimed at college students and youth in the age group of 20-27 years, targeting approximately 400 colleges in India over the next two years.

'Axis Evolve', the Bank's unique, in-person intervention focused on building capacity and capabilities in India's MSME Sector was relaunched after a two-year hiatus due to the COVID-19 pandemic. The 7th edition of the intervention was conducted in 20 cities

Management's Discussion and Analysis

around the two themes of 'Indian SMEs: Shifting Gears for Next Level Growth - Digitalization to Building Indian SMEs and 'Export Opportunities for SMEs in the New World Order'.

Under the theme of Environment, the Bank continues to focus on achieving its target of planting 2 million trees across India by 2027, which is also a part of its ESG-aligned commitments. As of 31 March, 2023, over 829,500 saplings had been planted across 6 locations by the Bank's implementing partners. Additionally, the Bank is supporting Miyawaki plantations in the Mumbai region. The Bank has also taken up new interventions focused on habitat restoration through Agroforestry in the buffer zones of select national parks and wildlife sanctuaries in India, which also focus on supporting of vulnerable communities living in the periphery of protected forests and reducing human-animal conflict. In a unique partnership with IDAN, a state entity of the Nagaland Government, the Bank is supporting the establishment of solar-powered cold storage units across the 16 districts of Nagaland that aim to strengthen the agri-supply chain in the State and support small scale agri-producers preserve their produce longer.

During the year, the Bank received the "Special Jury Commendation" from FICCI for its flagship Axis DiSe program being undertaken in Manipur.

Additional details on the Bank's CSR governance, interventions and impact for the reporting year can be accessed in the Annual Report on CSR Activities which forms part of this Annual Report. Additional information is also available on the Bank's corporate website at <https://www.axisbank.com/csr> and on the Foundation's website at <http://www.axisbankfoundation.org/>.

Sustainability

The Bank remains steadfastly committed towards making the principle of Environment, Social, and Governance (ESG) a key element of its long-term strategy and activities; and continues to work towards aligning its overall organizational strategy and decision-making to its Purpose Statement - 'Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet'.

In 2021, The Bank's CSR Committee formally began to oversee ESG as a topic, supported by the management-level ESG Steering Committee comprising senior leaders. In fiscal 2022, Axis Bank became the first Indian bank to establish a standalone ESG Committee at the Board level. Under the Committee's oversight, the Bank also announced a series of ESG-aligned commitments with its business and non-business activities, which are being driven by the pertinent verticals across the organization. The Bank's commitments are aligned to pertinent Sustainable Development Goals and to India's climate commitments under the Paris Agreement. In fiscal 2023, the ESG Committee of the Board met 4 times, wherein it also reviewed the Bank's progress towards achieving its ESG-aligned commitments. The Bank has been publishing its performance towards achieving its commitments annually, primarily through its annual sustainability reports.

Towards its commitment of achieving incremental wholesale lending of ₹30,000 crores in sectors with positive sustainable impact by 2026, the Bank has achieved ₹20,400 crores of lending as of 31 March, 2023. During the year, under the oversight of the Bank's ESG Working Group that was established in 2021 to formally guide and manage the Bank's future sustainable financing activities, the Bank has automated the internal tagging and tracking process for all such eligible transactions. As a part of its commitments, the Bank has also been actively planning towards scaling down its exposure to highly carbon intensive sectors. Thereunder, the Bank has identified four such sectors, including thermal power generation and coal mining, and has finalized a glide path over the decade that has been reviewed by the ESG Committee.

The Bank has also made progress towards achieving its commitments under Retail Banking. Against the commitment to achieve ₹10,000 Crores of incremental lending under Asha Home Loans by March 2024, the Bank has achieved a cumulative lending of ₹7,971 Crores as of 31 March, 2023. Notably, the Bank has achieved its commitment to increase the percentage of women borrowers under Asha Home Loans, with 18.38% women borrowers as of 31 March, 2023. Against the commitment to achieve 5% of the Bank's Retail 2-wheeler portfolio as electric by 2024, the Bank has reached 2.74% of the portfolio as of 31 March, 2023.

As a part of its commitments, the Bank has also been working towards strengthening its climate risk management capabilities at the enterprise level, under the oversight of the ESG Committee. In fiscal 2022, the Bank crossed its first milestone by embedding ESG risks into the ICAAP. In the same year, as a part of its initiative, the Bank also significantly strengthened its ESG Policy for Lending that integrates environmental and social risk assessment into its credit appraisal for Wholesale Banking. Significantly, the key proposals discussed at the Board level now include frequent discussions around their assessment under the ESG Policy for Lending. During the year, the Bank successfully designed and launched a pilot ESG Rating model, which is undergoing internal testing and validation. In addition, the Bank also published its first ESG Risk dashboard that was also presented to the Bank's Risk Management Committee.

The Bank's Diversity, Equity, and Inclusion (DEI) agenda continues to move from strength to strength. Towards its commitment to achieve 30% representation of women in its workforce by fiscal 2027, the Bank has strived to scale up its hiring diversity across all verticals and launched new initiatives that not only support its #ComeAsYouAre Charter of commitments but also help expand its talent pool. The Bank's #HouseWorkIsWork campaign was especially focused on qualified women who were keen to return to the workforce. In the first year itself of the campaign, the Bank received over 3,000 eligible resumes prompting the Bank to scale up its planned hiring from the program. During the year, the Bank launched an internal initiative – Pause for Bias, that aims to address



widely prevalent and often unconscious biases among people. The Bank's Women in Motion program continued to scale during the year, reaching close to 22,800 students in over 40 campuses across India. The 6-hour Axis DE&I Curriculum on Building and Leading Inclusive Organizations created 300 certified DE&I champions through 8 sessions. The DEI Council, an internal, cross-functional group created to support the DEI agenda also met formally during the year.

During the year, the Bank significantly scaled up its participation in and contribution to thought leadership and advocacy around the topics of ESG, climate change, diversity, and sustainable development, among others. The Bank's senior leaders are members of key committees on these topics at FICCI, CII, IBA, among others, as well as at the market regulators including SEBI. During the year, the Bank also released its first TCFD Report, adopting the format included in the RBI's Discussion paper on Climate Risk and Sustainable Finance, released in July 2022.

The Bank continues to deliver steady performance at key ESG assessment and recognition platforms. The Bank continues to be on the prestigious FTSE4Good Index for the sixth consecutive year in 2022. The Bank has an 'A' Rating by MSCI ESG Ratings and scored C in the CDP. Notably, the Bank is placed at the 82nd percentile among banks globally at the S&P Dow Jones Sustainability Indices in 2022.

Human Resources

Employees remain the most critical driver in Bank's journey towards achieving its long term objectives. The Bank values and understands that it is the employees, those in the frontline and those supporting them that drive its promise of being 'Dil Se Open'.

During the year, we as a Bank strengthened our capabilities and leadership team as we welcomed 3,200+ colleagues who joined us from Citibank. We have now embarked on a journey of creating an institution that will be respected by all and that will outlive us all. In order to achieve this, we continue to challenge ourselves to design unique initiatives and practices, with a goal to provide an enriching environment to our people.

Redefining conventional workspace

Axis Bank was the first among Indian Banks to adopt the concept of 'future of work' in full swing with the launch of GIG-A Opportunities in 2020. Under GIG-A 2.0, a pilot for 500 employees was launched in February 2021 in conjunction with our select teams to test and scale up the hypothesis that, work can be successfully done from anywhere. After a successful pilot, the Bank is now operating with this program in full swing with about 3500+ GIG-A employees associated with the Bank. Additionally, there are 200+ freelancers delivering niche skills across the Bank. In this model, the Bank has ensured to maintain a gender diversity ratio of 1:1 and have hired about 35% of freelancers from non-metro cities. The Bank continues to follow 'Hybrid way of working' with majority of the employees at large offices required to visit office twice a week and are advised to work from home on the rest of the days. Since the time large offices opened up after the pandemic, the Bank has successfully run rosters for every department in the Bank. Both employee and manager feedback remains positive in the hybrid model of working.

Driving the Bank's deeply rooted culture

The Bank focuses on building a fair, diverse, and performance-driven culture, guided by the five Core Values - Customer Centricity, Ethics, Teamwork, Transparency and Ownership. A network of 956 Axis Value Realizers serve as ambassadors to achieve Bank's overarching goal of ensuring that each and every Axis Bank employee live their values and let the values drive their behaviours at work - All of us, All the time. In the fiscal 2023, the Bank noted an overall improvement of 4.4% in the values Scorecard, that helps track progress in the values framework.

Creating a pipeline of young leaders by offering advanced career paths

Talent Management in the Bank is focused on enhancing key capabilities and embedding a performance centric culture to deliver the Bank's strategic objectives. The second edition of the 'Ahead' Internal talent management program was launched in April 2022 where a group of 30 employees was selected. In this edition, Ahead Management Trainees have also been mapped to mentors from the previous Ahead batch to support them in their first year and help them navigate through the journey. 'Astros' is the Bank's signature talent development program that aims to craft new career avenues for our employees in middle management. The selected employees underwent 6 days of formal learning sessions, worked on live projects with leaders and also participated in a peer knowledge sharing platform. The second edition of the mentoring program with Management Committee was launched in August 2022 with a wider scope and coverage for fiscal 2023 including 21 mentors (all presidents & above included) and 111 mentees across VP to president grade. The Bank offers flexibility to employees to redefine their career journey within the Bank through Catalyst, Axis Bank's Internal Job Portal. Employees who have completed a minimum of 18 months in their current role, are eligible to explore new career avenues across the Bank and its subsidiary companies.

Focus on skill upgradation & creating a winning mind-set

The Bank believes that individual success leads to the holistic organizational success and is therefore passionate about the learning and success journey of each and every employee. A total of 76,83,678 learning hours were imparted in fiscal 2023 and the learning programs covered a total of 88,726 employees under various initiatives. Average person-hours of training were 86.6

Management's Discussion and Analysis

person-hours for all employees. Out of all training given to employees, 72% of trainings were conducted online and remaining 28% were classroom-based training.

Maintaining a performance driven culture through meritocracy and transparency

Employees reflect on their performance twice every year through self and supervisor evaluation and feedback. Mid-Year check-in conversations ensure that managers are accountable for their team member's performance and there are transparent discussions between manager and employee not just during appraisals, but through the year. In an effort to control attrition at various levels, the Bank introduced a KRA focused on team retention for all AVP and above team leaders with a team size of more than 4. So far, the same has been implemented across more than 90% leaders.

Welcoming young minds to kick-start their banking careers

Last year, the Bank on boarded 656 campus graduates through the diverse campus programs. Bank's flagship program for young leaders, AHEAD, caters to students from Tier 1 B-schools of the country like IIMs and equivalent campuses. The Bank's 'ASPIRE' program also attracts talent from institutes that broadly covers the spectrum of new IIMs and Department of Management Studies in established IITs. ABLe is the Bank's cadre program for recruiting post-graduates (MBA/PGDM/MMS) from Tier 2 B-Schools across the country. The Bank's flagship diversity hiring program, We Lead, hires women management graduates from Tier 1 B-Schools and offers them rich and challenging roles in middle-management level. Last year, the Bank hired 20+ aspiring women through the We Lead program. Apart from management graduates, the Bank also hires from other fields like engineering, CA, Law, Design, and operations.

Launched on 31 May, 2022, ARISE is the Bank's newest and most unique campus program that promises an equal employment opportunity for young folks to prove their talent regardless of the education background. The selection of candidates was done basis their performance in 3 rounds, namely cognitive assessment, functional assessment, and elevator pitch. The first batch of ARISE welcomed 74 bright minds, across diverse business verticals in the Bank and its subsidiary companies. 80% of the total pool has come in from colleges which are not empanelled with the Bank.

The Bank has also partnered with NIIT & Manipal to run academic development programs which allow one to master skills in their area of interest. Post successful completion of the course, students get an assured job with Axis Bank

Diversity, Equity, and Inclusion

The Bank remains committed to creating a workplace that is free of discrimination and one that celebrates everyone for who they are. With the goal of having 30% women in the workforce by 2027, the DE&I team has put in place a series of initiatives to make the D,E,&I efforts visible and conducive to exist for every member in the organization.

'Pause for Bias' training is a part of the induction program, and so far, the team has conducted 104 'Pause for Bias' sessions covering 20,080 employees across the Bank.

Staying true to the credo of inclusion – "The onus of inclusion lies on those who are included, not on those who are excluded", the Bank periodically introduces unique programs to break through from traditional patterns of hiring. #HouseWorksWork was launched in February 2022, welcoming homemakers who had taken a break from their corporate jobs to manage household chores and other added responsibilities of family and children. Axis Bank looks at it through a different lens, where the experience they gain at home is seen a valuable in the Bank's growth journey. The team received an overwhelming response of 3,437 applications for the campaign.

The policy infrastructure of the Bank was upgraded post launch of #ComeAsYouAre charter on 6 September, 2021. This ensures that all policies are gender inclusive and step beyond heteronormativity. The leave policy saw significant changes in the nomenclature where maternity leave was renamed as 'Leave for birthing parents' to include transmen who could be birthing parents, adoption leave is now gender inclusive, paternity leave up from 15 days to now 30 days a year.

The inclusive hiring policy mandates all job descriptions to have the following prompt - **#ComeAsYouAre - Women, LGBTQIA+ and PwD candidates of all ages are encouraged to apply.** This focused approach has led to a **25% of women hires** up from 19% in the previous year.

Axis Bank also ensures a regular pulse check on DE&I agenda in the larger society by engaging with different cohorts. Women In Motion (WiM) is an outreach initiative run by senior most leaders for women students across the country. Last year, the team had a chance to interact with 20,032 students from 53 institutes across the length and breadth of the country. The team also conducts a 6-hour long interactive certification course for all DE&I enthusiasts who are keen on becoming strong advocates for participation of underrepresented groups in the workforce. This reported a coverage of 226 students across 3 institutes till date.

Axis VIBE, launched on September 2022, celebrates the idea of pride and diversity equity and inclusion in the business ecosystem. This is a platform where Axis Bank employees get a chance to interact with prominent leaders from varied industries to learn about policies and practices of businesses that put inclusion as a priority in their agenda.



Prioritizing wellness

The Axis Bank wellbeing policy focusses on rounded wellness of its employees in the personal, social and professional sphere of everyday life. Professional counsellors on board offer confidently and unconditional support to employees and their immediate families on any personal or professional issue that they struggle with. What started as a heightened response to the pandemic has now become a part of the organizational DNA. The Bank has extended mental health services to employees' families, group therapies, couple therapy and grief counselling. The response picked up with time. In 6 months, there were around 600 employees who sought counselling therapy as one-on-one or group sessions and 1,247 people are in queue seeking counselling appointments.

Open to listening

The Bank has partnered with inFeedo, a SAAS based Technology Company and are using their AI enabled bot called Amber for regular pulse sensing. Employee experience and engagement is captured as early as 21 days from date of joining. This tool digitally reaches out to a set of employees daily and has HR conversations with them around their experience of working at Axis Bank. Over the last 1 year, Amber has reached out to 75,212 employees. Under the Open to listening initiative, the bank also runs multiple surveys across various employee cohorts to gain insights around employee experiences and key areas of concern so as to deploy adequate corrective/engaging interventions.

Recognizing the extraordinary

Whether big or small, Axis Bank applauds its employees for their greatness at work and recognize them under the visibility of senior most leaders of the Bank. Champions Awards is the Bank's annual R&R event, celebrating employees for going beyond the call of duty to exhibit the core values of the Bank. Last year, 105 champions were felicitated by the chairman of the Board and our MD&CEO over a fun-filled evening. Anchors is the Bank's quarterly recognition program for all employees up to VP grade across the country. Last year, the Bank recognized 2,459 Anchors for demonstrating excellence in everyday work. Employees are nominated by their Department/Circle Heads across 3 distinct award categories – Supernova, Game Changer and Team Player. Recently the Bank launched a long-service segment in its recognition initiatives. OGs are the stalwarts within the organization who have been part of the Bank's success journey for milestones of 5, 10, 15, 20 and 25 years respectively. A total of 5,523 OGs were recognized and felicitated.

Subsidiary Performance

The Bank's subsidiaries remain central to the principle of "One Axis" and have an important role to play in the Bank's strategy formulated around the three vectors - Growth, Profitability and Sustainability. In a short span of time, the Bank has established subsidiaries covering a significant gamut of the financial services space, with some of them being leaders in their segments. Axis Capital continues to maintain its leadership position in the ECM segment. Axis Mutual Fund maintained its position as the fastest growing AMC amongst the Top 10 players and is now the seventh largest player with over 5.96 % share in the industry AUM. Axis Finance has grown its AUM at a 27% CAGR in last 5 years while delivering healthy returns.

The Bank continues to focus on further scaling up the subsidiaries so that they attain meaningful size and market share in their respective businesses. During fiscal 2023, the Bank's subsidiaries delivered strong performance with reported total income of ₹5,022 crores and earnings of ₹1,295 crores up 10.89% year on year.

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 (42 transactions across IPO, QIPs, OFS and Rights Issue). Axis Capital's earning increased by 29% and contributed 11% 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, had 12.9 million client folios as at end of 31 March, 2023 and reported a strong growth in net profits by 16%. The company manages 69 mutual fund schemes with a closing AUM of ₹228,261 crores as compared to closing AUM of ₹253,772 crores as on 31 March, 2022. The Company was ranked 7th amongst the mutual fund industry in India. During the year, the Bank forayed into retirement business with the launch of Axis Pension Fund Management through Axis AMC. The AUM under pension fund management stood at ₹191 crores as on 31 March, 2023. Axis AMC's earnings grew by 16% and contributed 32% to the total earnings of the subsidiaries.

Axis Securities, a brokerage arm become the third largest player based on customer base. The retail brokerage firm reported 17% growth in cumulative client base to 4.86 million. Axis Securities' earnings de-grew 13% as compared to previous period and contributed 16% to total subsidiaries' earnings. The subsidiary achieved a trading volume of ₹9,636,385 crores thereby registering a growth of 53% in fiscal 2023.

Axis Finance Limited, the Bank's NBFC has been diversifying its loan book mix and has made significant investments to grow its retail team with the objective of becoming a consumer-focused lending company. Axis Finance's earnings increased by 30% YOY

Management's Discussion and Analysis

and contributed 37% to total subsidiaries' earnings. Axis Finance remains well capitalized with Capital Adequacy Ratio of 20.49%. Its asset quality metrics remain stable with net NPA declining 10 bps YOY to 0.36% as of 31 March, 2023.

Freecharge, one of the India's leading digital payment companies has a current user base of 1.4 million, GMV of ₹20,000 crores and 131 million transactions. It continued to make progress in its payments led financials services journey during the year. The Bank leveraged the platform to introduce financial services products including digital SA, digital CA, digital fixed deposits, MFs, credit cards, Paylater and small business loans focused towards millennials and small and medium businesses.

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' has set a new benchmark by facilitating financing of MSME invoices of more than ₹55,600 crores. It currently has over 20,671 participants on the platform and has e-discounted nearly 16.3 lakh invoices since start of its operation from July 2017.

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 CORPORATE GOVERNANCE

To,
The Members of **Axis Bank Limited**

1. We, as one of the Joint Statutory Auditors of Axis Bank Limited (hereinafter referred to as "the Bank"), for which the audit report dated 27 April, 2023 has been issued, are issuing this certificate as required under part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
2. We have examined the compliance of conditions of Corporate Governance by the Bank for the year ended 31 March, 2023, 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 to the SEBI Listing Regulations, as amended.

Management's Responsibility

3. The compliance of conditions of the Corporate Governance is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring compliance with the conditions of 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 purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.
6. We have carried out an examination of the relevant records of the Bank in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI") 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.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank, has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations for the year ended 31 March, 2023.
9. We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

Restriction on Use

10. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For M. P. Chitale & Co.

Chartered Accountants,
Firm Reg. No. 101851W

Ashutosh Pednekar

Partner
Membership No. 041037
UDIN: 23041037BGPVNS7566

Place: Mumbai
Date: 28 April, 2023

Corporate Governance

(Part of the Board's Report for the fiscal year ended 31 March, 2023)

I. Philosophy on code of governance

The Bank recognises its role as a responsible corporate citizen and endeavors to adopt and maintain the highest standards of corporate governance.

The Bank's philosophy on corporate governance is to promote the culture of customer centricity, accountability, integrity, sustainability, transparency and ethics, which enables the Bank to conduct itself in the right way while dealing with all its stakeholders.

The Bank has a robust governance structure in place, led by an independent and diverse Board of Directors (Board). The Board believes in prompt and clear communication to its stakeholders, which reflects the internal functioning at the Bank.

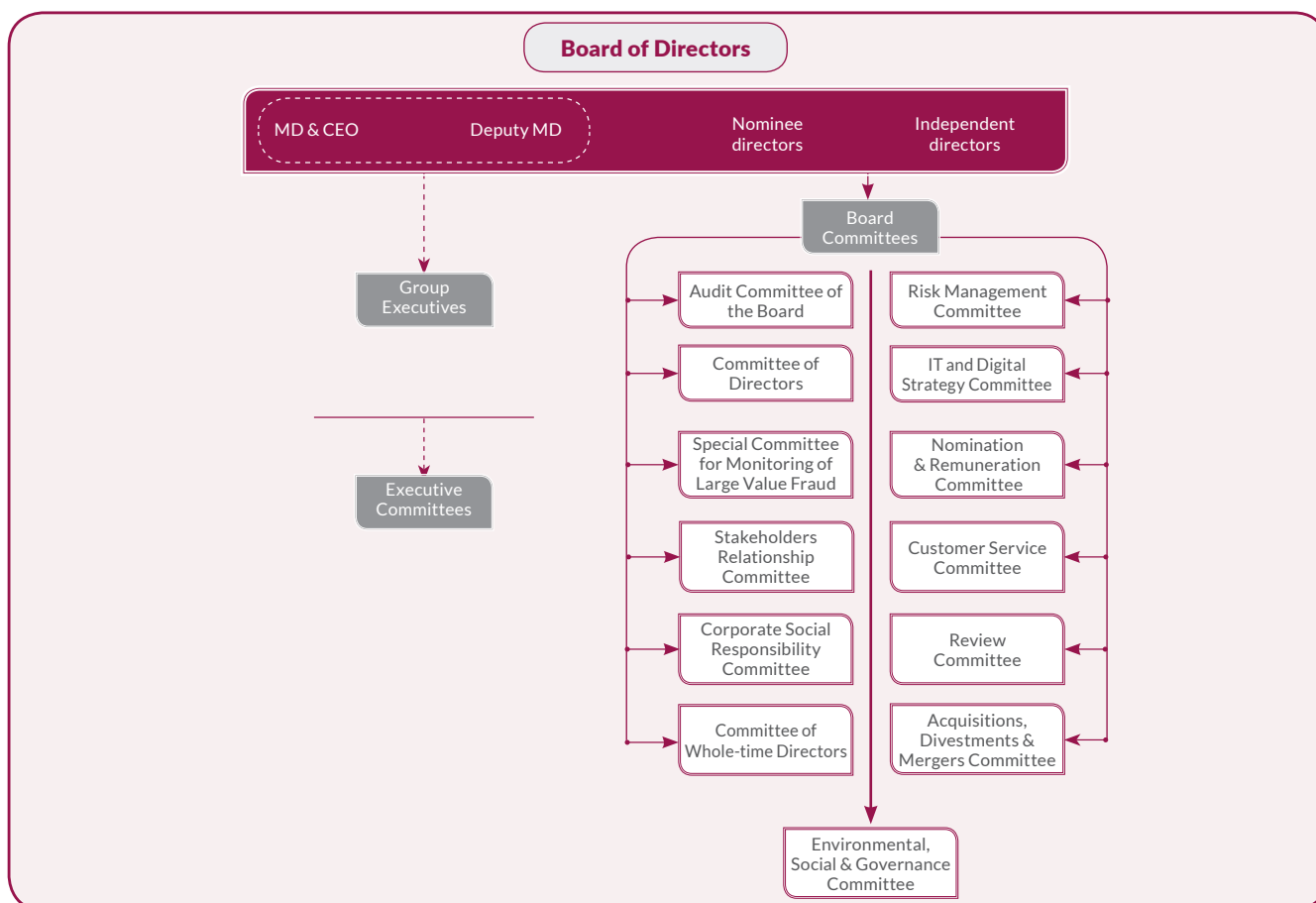
The Bank believes in going beyond the law, to uphold the best-in-class corporate governance practices. In order to protect the interest of all its stakeholders, the Bank has a strong compliance and risk management framework and it continuously reviews its practices and processes, considering the dynamic environment it operates in.

II. Governance structure of the Bank

The Board oversees the standards of corporate governance at the Bank. The directors are appointed by the members. The Managing Director & CEO (MD & CEO) reports to the Board of the Bank. The Deputy Managing Director (Deputy MD) reports to the MD & CEO of the Bank.

The Board has constituted various board level committees for a more focused review of specific matters. The Bank has also constituted various executive committees to *inter alia* deal with routine, operational and administrative matters, and review various matters before its submission to the Board / committees.

Diagrammatic representation of the governance structure of the Bank:

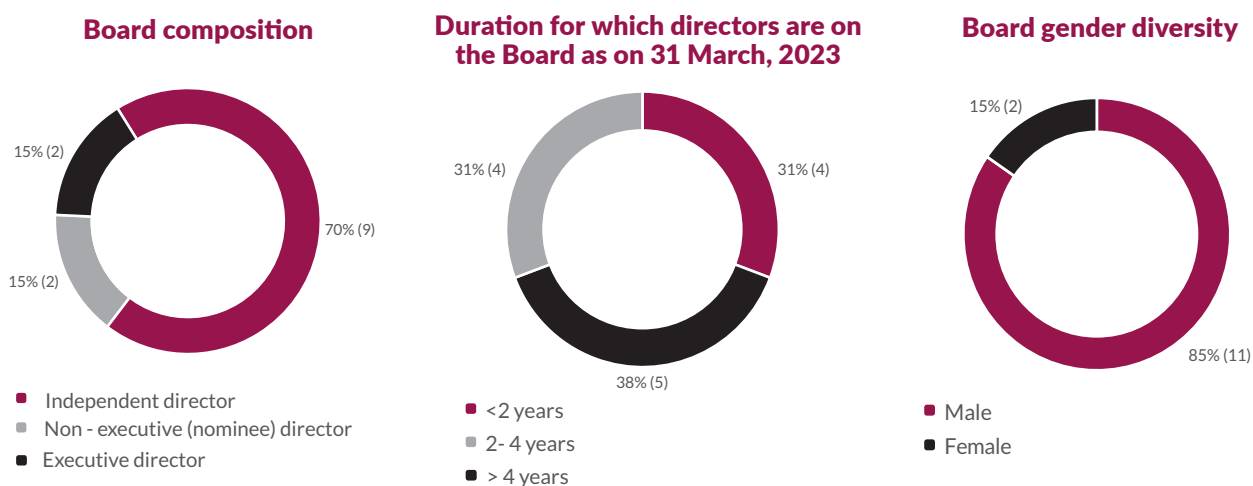


III. Board of Directors

Size and composition of the Board

The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 (Act) and relevant rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India (RBI), as amended, from time to time and the articles of association of the Bank (extant laws).

The Board has an optimum combination of executive and non-executive directors with independent directors constituting more than one-half of its total strength. As on 31 March, 2023, the Board has thirteen directors, comprising of MD & CEO, Deputy MD, nine independent directors and two nominee directors, one each from Life Insurance Corporation of India (LIC), a promoter 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). The Board is led by an independent director and part-time chairperson. The Board has two independent women directors.



None of the directors are related to each other. All the independent directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, all the independent directors fulfill the conditions specified under the said norms and are independent of the management.

Databank of independent directors

All the independent directors of the Bank are in compliance with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors, if applicable.

Corporate Governance

Information about the directors including age, tenure of appointment, details of directorship, number of membership / chairpersonship in the Board are as follows:

Sr. no.	Name, category, DIN and age of the director	Date of first appointment	End date of current term	Directorship in other listed company(ies) and category of directorship ²	Number of directorship in other unlisted companies		Number of memberships (chairpersonship) in Board committees ⁴	Equity shareholding in the Bank
					Indian public limited companies	Other Companies ³		
1.	Rakesh Makhija Independent Part-Time Chairperson DIN: 00117692 Age: 71	27 October, 2015	26 October, 2023	Castrol India Limited, Independent	1	0	2(1)	NIL
2.	Amitabh Chaudhry MD & CEO DIN: 00531120 Age: 58	1 January, 2019	31 December, 2024	-	4	0	0	NIL
3.	Ketaki Bhagwati Independent DIN: 07367868 Age: 59	19 January, 2016	18 January, 2024	Bayer Cropsience Limited, Independent	0	0	1(0)	NIL
4.	Ashish Kotecha Nominee – Entities affiliated to BAIN Capital (Equity Investor) DIN: 02384614 Age: 47	19 December, 2021	18 December, 2024 ¹	-	0	2	0	NIL
5.	Girish Paranjpe Independent DIN: 02172725 Age: 65	2 November, 2018	1 November, 2026	Crisil Limited, Independent	2	3	3(2)	NIL
6.	T. C. Suseel Kumar Nominee – LIC (Equity Investor) – Promoter DIN: 06453310 Age: 62	1 July, 2020	30 June, 2026	1. PCBL Limited, Independent 2. Lakshmi Machine Works Limited, Non- executive 3. BSE Limited, Non- executive	0	0	3(1)	50
7.	Meena Ganesh Independent DIN: 00528252 Age: 59	1 August, 2020	31 July, 2024	1. Pfizer Limited, Independent 2. Procter & Gamble Hygiene and Healthcare Limited, Independent	1	9	2(0)	NIL
8.	G. Padmanabhan Independent DIN: 07130908 Age: 67	28 October, 2020	27 October, 2024	Haldyn Glass Limited, Independent	1	0	1(0)	NIL
9.	Prof. S. Mahendra Dev Independent DIN: 06519869 Age: 65	14 June, 2021	13 June, 2025	-	-	0	0	NIL
10.	Manoj Kohli Independent DIN: 00162071 Age: 64	17 June, 2022	16 June, 2026	-	-	1	0	NIL
11.	P. N. Prasad Independent DIN: 07430506 Age: 62	20 October, 2022	19 October, 2026	Styrenix Performance Materials Limited, Independent	2	0	2(0)	130
12.	CH SS Mallikarjunarao Independent DIN: 07667641 Age: 61	1 February, 2023	31 January, 2027	-	0	1	0	20
13.	Rajiv Anand Deputy MD DIN: 02541753 Age: 57	4 August, 2016	3 August, 2025	-	4	2	2(0)	5,48,569



- ¹ Tenure of Ashish Kotecha is from 19 December, 2021 upto expiry of three years i.e. upto 18 December, 2024 or till the time entities affiliated to Bain Capital are directly holding in the aggregate at least 2.00% of the equity share capital of the Bank on a fully diluted basis, whichever is earlier.
- ² None of the independent directors of the Bank serve as an independent director in more than seven listed companies or as a whole-time director in any listed company.
- ³ Includes foreign companies, private companies and Section 8 companies.
- ⁴ Includes only memberships of the Audit Committee and Stakeholders Relationship Committee in public limited companies. Figures in brackets represent number of chairpersonship of the said committees, as per the disclosure received from the concerned director.

All directors of the Bank have submitted forms / declarations / undertakings / consent as required under the extant laws. Pursuant to review of the said forms / declarations / undertakings / consent as submitted by the directors of the Bank, the NRC and the Board have confirmed that all the directors are in compliance with the applicable norms and are fit and proper to continue as directors of the Bank.

Selection and appointment of directors

The selection and appointment of directors of the Bank is done in accordance with the extant laws. The Bank has formulated and adopted various policies with respect to selection and appointment of directors i.e. succession planning policy for Board of directors and key officials of the Bank, policy on fit and proper criteria for Board of directors of the Bank, Board diversity policy and policy on training for Board of directors of the Bank, the details of which are provided in this report.

Board diversity policy

The Bank recognizes and embraces the importance of a diverse Board and is endowed with appropriate balance of skills, expertise, experience, and perspectives thereby ensuring effective board governance. The Board has reviewed and adopted the policy on Board diversity, which sets out its approach to ensure diversity, and to enhance its effectiveness while discharging its fiduciary obligations towards the stakeholders of the Bank. The policy on Board diversity is available on the website of the Bank at <https://www.axisbank.com/docs/default-source/corporate-governance/policy-on-board-diversity.pdf>. During fiscal 2023, the Board also reviewed the said policy, in line with the extant laws.

In terms of Schedule V of the SEBI Listing Regulations and in the context of the Bank's businesses and sector(s), the Board has identified the following core skills / expertise / competencies for it to function effectively:

• 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	

The Board has also specified direct and indirect criteria to determine the skill sets of the directors. The details of director wise core skills / expertise / competencies are as follows:

Sr. no.	Name of the director	Skills / expertise / competencies
1.	Rakesh Makhija	Industry & technology business management human resources finance
2.	Amitabh Chaudhry	Finance banking insurance business management information technology human resources customer service risk management accountancy
3.	Ketaki Bhagwati	Finance risk management business management
4.	Ashish Kotecha	Finance private equity risk management business management capital markets
5.	Girish Paranjpe	Accountancy finance business management information technology human resources
6.	T. C. Suseel Kumar	Marketing / product development investment management corporate planning / new projects audit subsidiaries human resources customer service finance accountancy
7.	Meena Ganesh	Technology consulting business management entrepreneurship (BPO, education and health care services) human resources finance
8.	G. Padmanabhan	Bank regulation supervision of foreign exchange / securities markets in India information technology payment system customer service risk management finance economics

Corporate Governance

Sr. no.	Name of the director	Skills / expertise / competencies
9.	Prof. S. Mahendra Dev	Agriculture and rural economy economics co-operation finance
10.	Manoj Kohli	Law business management customer service information technology & digital human resources infrastructure
11.	P. N. Prasad	Core commercial banking risk management corporate banking - project finance & structuring stressed asset management and resolution strategy & business planning client relationship trade finance operations alternative investments international banking audit and compliance human resource development treasury management agriculture and rural economy small scale industries
12.	CH SS Mallikarjunarao	Accountancy banking small scale industry agriculture and rural economy risk management finance business management information technology human resources insurance
13.	Rajiv Anand	Finance business management capital markets accountancy banking

Brief profile of the directors of the Bank is available on the website of the Bank at <https://www.axisbank.com/about-us>.

Succession planning policy for the Board of directors and key officials of the Bank

The Bank has formulated and adopted a succession planning policy for Board of directors and key officials of the Bank (policy), which has been reviewed by the NRC and the Board.

The objective of the policy is to *inter alia* assess, identify and nominate suitable candidates to fill vacancies that may arise for positions of the non-executive chairperson, independent directors, MD & CEO, whole-time directors (including Deputy MD), group executives, key managerial personnel and other key officials of the Bank / subsidiary companies, from time to time. The policy also seeks to plan for succession of the said roles and to fill any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles.

The policy also provides for the course of action to be initiated in case of delay or non-receipt of regulatory / statutory approvals, relating to appointment / re-appointment of MD & CEO or whole-time director (including Deputy MD) or in case of a sudden vacancy in the position of MD & CEO or whole-time director (including Deputy MD), caused due to death or permanent incapacitation or for any other reason whatsoever.

The NRC considers the profile, skill set, experience, expertise, functional capabilities, disqualifications and other relevant information and adherence to the fit and proper norms, before making appropriate recommendations to the Board with regard to their appointment / re-appointment. The objective is to provide the Board with members who have diverse knowledge, practical experience and requisite set of skills to serve the business interests of the Bank and enhance the overall effectiveness of the Board.

The NRC also has discretion to engage the services of an external consultant / expert, to identify and assess the suitability of candidates for the post of director of the Bank, as deemed appropriate.

During fiscal 2023, the Board also reviewed and approved amendments to the policy, in line with the extant laws.

Policy on fit and proper criteria for directors of the Bank

The Bank has formulated and adopted a policy on fit and proper criteria for Board of directors of the Bank (policy).

In terms of the said policy, the NRC assesses and confirms to the Board the 'fit and proper' status of the director as per extant laws, before considering his / her candidature for appointment / re-appointment as a director of the Bank and annually i.e. as at 31 March every fiscal year.

The directors of the Bank, individually sign a deed of covenant which binds them to discharge their responsibilities to the best of their abilities, in order to be eligible for being appointed / re-appointed as a director.

The Bank also obtains a declaration and undertaking on the 'fit and proper' criteria under Insurance Regulatory and Development Authority of India (Registration of Corporate Agent) Regulations, 2015, from all the directors, annually.

During fiscal 2023, the Board also reviewed and approved amendments to the policy, in terms of the extant laws.

Policy on training for Board of directors

The Bank has formulated and adopted a policy on training for Board of directors of the Bank (policy), which aims at providing timely and appropriate orientation and training to its directors to ensure that they are well versed with the business, regulatory and operational aspects of banking.

The said policy provides guidelines with respect to:

A. Induction program for new directors

The Bank conducts induction program for new directors through one-to-one meetings with the MD & CEO, Deputy MD and other members of the senior management on matters relating to businesses, credit underwriting, finance, business strategy, risk management, compliance, internal audit, human resources, information technology / cyber security, environment, social & governance, corporate social responsibility, law, treasury, subsidiary governance and board process. They are also provided with an induction manual including the governance policies, codes and charters.

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 format of said letter is also uploaded on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance>.

B. Familiarization program for directors

The Bank conducts familiarisation programs for its directors including independent directors covering the matters as specified under Regulation 25(7) of the SEBI 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>.

C. Continuous education and learning (CELP)

CELP includes training programs / sessions, conducted by reputed consulting firms / experts, with in-depth expertise in various areas taking into account the business requirement of the Bank, the existing skill sets of the directors and recommendations made by them.

During fiscal 2023, the Bank arranged following training programs for the Board, through internal/external speakers:

Sr. no.	Details of programme
1.	Changing regulatory framework for financial sector
2.	Disruptive trends in financial services industry
3.	Global economic outlook & geo-political events: Impact on India & banking
4.	Setting and maintaining effective board - CEO & top management relationships along with effective ways to handle post-merger and integration challenges
5.	Innovation & transformation
6.	Emerging innovations in business models
7.	ESG & climate change (only for ESG committee members)
8.	Emerging innovations in business models
9.	Emerging risks – cyber security
10.	Master class on KYC / AML

During fiscal 2023, the Board also reviewed and approved amendments to the policy, in line with the extant laws.

A summary of the above policies is, as under:



Duties and responsibilities of the Board

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 and is fully compliant with extant laws and functions in an ethical and efficient manner.

The responsibilities of the Board *inter alia* include overseeing the functioning of the Bank, reviewing compliance of all laws applicable to the Bank and efficacy of internal control systems / processes and framing, implementing and monitoring the risk management plan of the Bank.

The Board is also responsible for approving the strategic decisions, plans and priorities for the Bank, monitoring corporate performance against business plans, reviewing and approving the Bank's financial and operating performance on a periodic basis, overseeing the Bank's corporate governance framework and supervising the succession planning process for its directors and senior management.

Corporate Governance

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. Apart from quarterly review of the performance of the Bank, the Board meets once a year specifically to review the medium and long-term strategy of the Bank. The Board oversees the actions and results of the management to ensure that the medium and long-term objectives of enhancing shareholder's value are met. The Board also has the discretion to engage the services of external experts / advisors, as deemed appropriate.

The duties and responsibilities of the Board have been set out in the charter formulated and adopted by the Bank, in terms of the extant laws. During fiscal 2023, the Board reviewed and approved amendments to its charter, in line with the extant laws.

Role of independent directors

Rakesh Makhija, Ketaki Bhagwati, Girish Paranjpe, Meena Ganesh, G. Padmanabhan, Prof. S. Mahendra Dev, Manoj Kohli, P. N. Prasad and CH SS Mallikarjunarao are the independent directors of the Bank. The role of an independent director is to help in bringing an independent judgment on the Board's deliberations, especially on the issues pertaining to strategy, performance, risk management, human resources, governance, key appointments, and standards of conduct.

Independent directors bring an unbiased view in evaluating performance of the Board and management and review management's performance in meeting their goals and objectives. Independent directors safeguard the interests of all the stakeholders, particularly the minority shareholders.

Rakesh Makhija, Independent Director and Part-time Chairperson of the Bank plays a lead role in managing the Board and facilitating effective communication among directors. He presides over meetings of the Board and of the shareholders of the Bank.

Role of MD and CEO

Amitabh Chaudhry is the MD & CEO of the Bank. He reports to the Board and is vested with powers of managing the affairs of the Bank, within the overall superintendence, control, guidance, and direction of the Board.

As the MD & CEO of the Bank, he has the authority to perform all such acts, deeds, matters and things, which he may consider necessary or appropriate to perform, in the business interest of the Bank. He oversees business operations, drives strategic growth and is responsible for overall performance of the business of the Bank.

Amitabh Chaudhry is also a key managerial personnel of the Bank, in terms of the provisions of Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Role of Deputy MD

Rajiv Anand is the Deputy MD of the Bank and reports to the MD & CEO of the Bank. He is, *inter alia*, responsible for wholesale banking, treasury, digital banking, marketing and corporate communications & public relations.

Rajiv Anand is also a key managerial personnel of the Bank, in terms of the provisions of Section 203(1) of the Act read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

IV. MEETINGS OF THE BOARD / COMMITTEES

Schedule of the meetings

The schedule of the meetings of the Board / committees and the annual general meeting of the Bank to be held during the next fiscal year, is finalised and circulated in advance to the Board.

Framework for conduct of meetings of the Board / committees

The Bank has formulated and adopted a framework for conduct of meetings of the Board / committees of the Bank.

The said framework provides guidance on matters relating to administration of meetings by ensuring standardization in the formats used for preparation of agenda index, agenda notes, minutes and circular resolutions and adopting best practices from a compliance and governance perspective.

Agenda for the meetings

The RBI vide its Circular No. DBR No.BC.93129.67.001/2014-15 dated 14 May, 2015 has prescribed 'seven critical themes' to be reviewed by the Board namely business strategy, risk, financial reports and their integrity, 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 along with matters required under the provisions of the extant laws.

The agenda for the meetings of the Board / committees is prepared and finalised in consultation with the chairperson of the Board / committees. The agenda notes and presentations for the meetings of the Board / committees are sent to the members of the Board / committees in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, as may be required.

The said agenda notes / presentations are circulated through a secured web-based portal to facilitate easy access on iPad / laptop / desktop. The agenda notes / presentations are presented in a manner, so as to facilitate informed decision making.

Members of the Board / committees are free to recommend inclusion of any matter as part of the agenda for the meetings.

Post-meeting follow-up mechanism

Important decisions taken and suggestions given by the Board and its committees are communicated to the relevant departments for their information and necessary action. The actionables arising out of the meetings of the Board / committees are thereafter dealt with in accordance with the Bank's framework for monitoring and implementation of directions of the Board / committees.

Framework for monitoring and implementation of the directions of the Board

The Bank has formulated and adopted a "framework for monitoring and implementation of directions of the Board / committees". During fiscal 2023, the Board reviewed and approved amendments to the framework.

In terms of this framework, actionables emanating from the deliberations at the meetings and actionables emanating from the agenda notes are periodically monitored and reviewed until their closure. The Deputy MD periodically reviews the actionables which are open beyond their original timelines. The consolidated status of all actionables relating to the Board / committees, is also reviewed by the Board, on a quarterly basis.

Minutes of the meetings

The draft minutes are sent within 15 days from the date of the conclusion of the meetings to the members of the Board / committee, for their comments. The minutes after incorporating the comments, if any, received from the members of the Board / committees are placed at the next meeting for noting and signing by the chairperson of the respective/previous meeting. The Bank follows a Guidance, Challenge and Instruction (GCI) framework, in terms of which it circulates a statement containing GCIs arising from the deliberations at the meetings of the Board / committee, along with the minutes to the directors.

In case of business exigencies or urgency of matters, resolutions are also passed by the Board / committees through circulation with the approval of the respective chairperson. The resolution passed by circulation is noted at the next meeting of the Board / committee.

Conduct of meetings

Majority of the meetings of the Board / committees during fiscal 2023, were convened through audio video conference facility, in accordance with the provisions of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

During fiscal 2023, nine meetings of the Board were held on 28 April, 2022, 17 June, 2022, 25 July, 2022, 17 August, 2022, 8 September, 2022, 20 October, 2022, 8 December, 2022, 23 January, 2023 and 23 February, 2023.

The quarterly Board meetings for considering financial results were held over a period of two days. During fiscal 2023, the annual Board strategy meeting was held from 23 February, 2023 to 26 February, 2023, where a detailed review of the Bank's business segments and strategy was conducted by the Board.

The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present throughout the meetings of the Board held during fiscal 2023.

The Board has accepted and implemented all the recommendations, including mandatory recommendations, made by the committees.

Corporate Governance

The details of the Board meetings attended by the directors during fiscal 2023 and attendance at the 28th annual general meeting of the Bank (AGM), are given below:

Sr. no.	Name of the director	Board meetings attended during fiscal 2023	% of attendance	Attendance at last AGM (29 July, 2022)
1.	Rakesh Makhija	9/9	100	Yes
2.	Amitabh Chaudhry	9/9	100	Yes
3.	S. Vishvanathan ¹	8/8	100	Yes
4.	Ketaki Bhagwati	9/9	100	Yes
5.	Girish Paranjpe	9/9	100	Yes
6.	T. C. Suseel Kumar	8*/9	89	Yes
7.	Meena Ganesh	8*/9	89	Yes
8.	G. Padmanabhan	9/9	100	Yes
9.	Ashish Kotecha	9/9	100	Yes
10.	Vasantha Govindan ²	8*/9	89	Yes
11.	Prof. S. Mahendra Dev	9/9	100	Yes
12.	Manoj Kohli ³	7*/8	87	Yes
13.	P. N. Prasad ⁴	4/4	100	NA
14.	CH SS Mallikarjunarao ⁵	1/1	100	NA
15.	Rajiv Anand	9/9	100	Yes

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

¹ Ceased to be independent director of the Bank, with effect from the close of business hours on 10 February, 2023.

² Ceased to be director of the Bank, with effect from 27 March, 2023.

³ Appointed as an independent director of the Bank, with effect from 17 June, 2022.

⁴ Appointed as an independent director of the Bank, with effect from 20 October, 2022.

⁵ Appointed as an independent director of the Bank, with effect from 1 February, 2023.

Board Committees

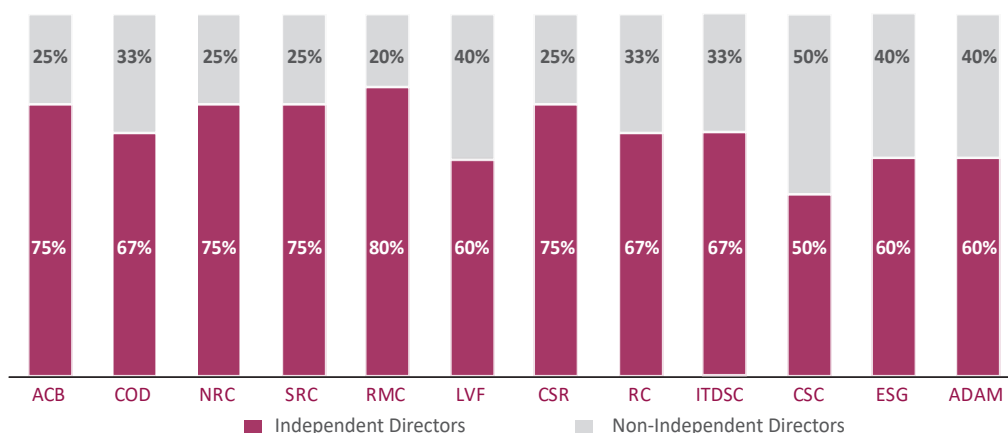
The Board also functions through various committees, constituted to deal with specific matters as mandated under the extant laws. The charter of the Board committees is subject to an annual review by the Board, pursuant to changes in the extant laws or to meet the business requirements of the Bank.

The Board has constituted 13 committees, details of which are as follows:

Sr. No.	Committees
1.	Committee of Directors (COD)
2.	Audit Committee of the Board (ACB)
3.	Risk Management Committee (RMC)
4.	Stakeholders Relationship Committee (SRC)
5.	Nomination and Remuneration Committee (NRC)
6.	Special Committee of the Board for Monitoring of Large Value Frauds (LVF)
7.	Customer Service Committee (CSC)
8.	IT and Digital Strategy Committee (ITDSC)
9.	Corporate Social Responsibility Committee (CSR)
10.	Review Committee (RC)
11.	Acquisitions, Divestments and Mergers Committee (ADAM)
12.	Committee of Whole-Time Directors (COWTD)
13.	Environmental, Social and Governance Committee (ESG)



Independence in committee composition as on 31 March, 2023



With reference to the RBI guidelines on corporate governance in Banks - appointment of directors and constitution of committees of the Board, dated 26 April, 2021 and other applicable RBI guidelines, the details of common members in Board committees are as under:

- Girish Paranjpe, Independent Director is a common member between the RMC and the NRC.
- Prof. S. Mahendra Dev, Independent Director and T. C. Suseel Kumar, Nominee Director are common members between the ACB and the LVF.

The above common membership is in compliance with the RBI guidelines.

Brief description of charter of the committees, their composition and attendance of the members at the meetings held during fiscal 2023, are detailed as under:

1. Committee of Directors

Composition and attendance

The Committee of Directors (COD) comprises of three members out of which two are independent directors.

Name of the members	Designation	Attendance
P. N. Prasad, Chairperson ¹	Independent Director	2/2
S. Vishvanathan ²	Independent Director	10/10
Rajiv Anand ³	Deputy Managing Director	5/5
CH SS Mallikarjunarao ⁴	Independent Director	2/2
Amitabh Chaudhary ⁵ @	Managing Director & CEO	3/7
Ketaki Bhagwati ⁶	Independent Director	10/10
Vasantha Govindan ⁷ @	Nominee Director	3/5

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

¹ Appointed as a member and chairperson with effect from 11 February, 2023.

² Ceased to be a member and chairperson with effect from 11 February, 2023.

³ Appointed as a member with effect from 20 October, 2022.

⁴ Appointed as a member with effect from 11 February, 2023.

⁵ Ceased to be a member with effect from 20 October, 2022.

⁶ Ceased to be a member with effect from 11 February, 2023.

⁷ Appointed as a member with effect from 20 October, 2022 and ceased to be member with effect from 27 March 2023.

Quorum

Three members or 1/3rd of the total strength of the COD, whichever is higher, with presence of at least two independent directors.

Corporate Governance

Brief description of the charter	<ul style="list-style-type: none"> (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 approve treasury related investments and disinvestments as mentioned in the domestic investment policy, overseas investment policy and market risk management policy of the Bank, as amended, from time to time. (iv) To review, note and approve proposals relating to the Bank's business / operations covering all its departments and business segments.
Meetings	During fiscal 2023, twelve meetings of the COD were held i.e. on 27 April, 2022, 26 May, 2022, 20 June, 2022, 27 July, 2022, 25 August, 2022, 23 September, 2022, 17 October, 2022, 26 November, 2022, 22 December, 2022, 25 January, 2023, 21 February, 2023 and 23 March, 2023.

2. Audit Committee of Board

Composition and attendance	The Audit Committee of the Board (ACB) comprises of four members, out of which three are independent directors and one is nominee director. The members of the ACB are financially literate.		
	Name of the members	Designation	Attendance
	Girish Paranjpe, Chairperson	Independent Director	18/18
	T. C. Suseel Kumar	Nominee Director	18/18
	Prof. S. Mahendra Dev	Independent Director	18/18
	Meena Ganesh ¹	Independent Director	7/7
	¹ Appointed as a member with effect from 20 October, 2022.		
	The Company Secretary of the Bank acts as the secretary of the ACB.		
Quorum	Three members and at least 2/3 rd of the members attending the meeting of the ACB shall be independent directors.		
Brief description of the charter	<ul style="list-style-type: none"> (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. (iii) To review the risk assessment report, risk mitigation plan, scrutiny reports issued by RBI and any other domestic/overseas regulators and forensic audit reports by external agencies, if any and the status of compliance with the same. (iv) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors) and appointment of statutory auditors. (v) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Bank. (vi) To approve payments to statutory auditors for any other services rendered by them. (vii) 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. (viii) To review, with the management, the quarterly financial statements of the Bank (standalone and on a consolidated basis, in terms of the relevant provisions of the Listing Regulations) before it is recommended for the approval of the Board. (ix) 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. (x) To review functioning of the whistle blower and vigilance mechanism. (xi) All related party transactions and subsequent material modifications shall require prior approval of the ACB in accordance with the SEBI Listing Regulations, as amended from time to time. (xii) To review the performance of information security audit and the critical issues highlighted during the information security audit and provide appropriate guidance to the Bank's management. (xiii) To review the status of compliance with the provisions of the share dealing code, on an annual basis and to verify that the systems for internal control are adequate and are operating effectively. <p>The Chief Compliance Officer (CCO) and Chief Audit Executive (CAE) of the Bank directly report to the ACB. They also meet the ACB on one-to-one basis, without the presence of the senior management, on a quarterly basis.</p> <p>The ACB discusses the key highlights of the quarterly and annual financial results of the Bank, internal financial controls, branch audits and control findings, with the joint statutory auditors, before recommending the same to the Board, for their approval. Joint statutory auditors have attended the meetings of the ACB held during fiscal 2023, for review of the quarterly / half yearly / annual financial results of the Bank.</p> <p>The ACB also discusses the matters connected with the said financial results with the joint statutory auditors, without the presence of any executives of the Bank.</p>		



Meetings	During fiscal 2023, eighteen meetings of the ACB were held on 26 April, 2022, 28 April, 2022, 23 May, 2022, 21 June, 2022, 25 July, 2022, 29 July, 2022, 22 August, 2022, 5 September, 2022, 23 September, 2022, 17 October, 2022, 20 October, 2022, 26 October, 2022, 22 November, 2022, 20 December, 2022, 18 January, 2023, 23 January, 2023, 7 February, 2023 and 20 March, 2023.
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3. Risk Management Committee

Composition and attendance The Risk Management Committee of Directors (RMC) comprises of five members out of which four are independent directors.

Name of the members	Designation	Attendance
Ketaki Bhagwati, Chairperson	Independent Director	5/5
Amitabh Chaudhry	Managing Director & CEO	5/5
Girish Parajne [®]	Independent Director	4/5
G. Padmanabhan	Independent Director	5/5
Manoj Kohli ^{i®}	Independent director	0/1

[®] Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.

ⁱ Appointed as a member with effect from 20 October, 2022.

Quorum Three members. At least half of the members attending the meeting of the RMC shall be independent directors, of which at least one member shall have professional expertise / qualification in risk management.

Brief description of the charter

- (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) To review the risk management plan with respect to cyber security and monitor the implementation of the measures recommended by the IT & Digital Strategy Committee of the Bank, to mitigate any risk arising therefrom.
- (v) Review the appointment, removal and terms of remuneration of the chief risk officer (CRO) of the Bank.

The CRO reports to the MD & CEO of the Bank. The CRO is independent of the business lines and is actively involved in key decision-making processes that impact the risk profile of the Bank. The CRO also meets the RMC without the presence of executives of the Bank. The Bank has a policy defining the roles and responsibilities of the CRO, in line with the guidelines issued by the RBI.

Meetings During fiscal 2023, five meetings of the RMC were held i.e. on 25 April, 2022, 14 June, 2022, 21 July, 2022, 18 October, 2022 and 20 January, 2023.

4. Stakeholders Relationship Committee

Composition and attendance The Stakeholders Relationship Committee (SRC) comprises of four members out of which three are independent directors.

Name of the members	Designation	Attendance
Manoj Kohli, Chairperson ¹	Independent Director	0/0
S. Vishvanathan ²	Independent Director	2/2
Rajiv Anand	Deputy Managing Director	2/2
P. N. Prasad ³	Independent Director	0/0
CHSS Mallikarjunarao ³	Independent Director	0/0
Vasantha Govindan ⁴	Nominee Director	2/2

¹ Appointed as a member and chairperson with effect from 11 February, 2023.

² Ceased to be a member and chairperson with effect from 11 February, 2023.

³ Appointed as a member with effect from 11 February, 2023.

⁴ Ceased to be a member with effect from 27 March, 2023.

Sandeep Poddar, Company Secretary of the Bank is appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. He also acts as the convener/secretary of this committee.

Corporate Governance

Quorum	Three members or 1/3 rd of the total strength of the SRC, whichever is higher.
Brief description of the charter	<ul style="list-style-type: none"> (i) Consider and resolve the grievances of the security holders of the Bank. (ii) Review of complaints received from the investors in respect of transfer/ transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new / duplicate certificates, general meetings, etc. and the status of its redressal. (iii) Review the measures taken for effective exercise of voting rights by shareholders. (iv) Review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent. (v) 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 Bank.
Meetings	During fiscal 2023, two meetings of SRC were held on 26 April, 2022 and 7 October, 2022.

5. Nomination and Remuneration Committee

Composition and attendance	The Nomination and Remuneration Committee (NRC) comprises of four members, out of which three are independent directors.		
	Name of the members	Designation	Attendance
	Meena Ganesh, Chairperson	Independent Director	10/10
	Rakesh Makhija	Independent Director	10/10
	Girish Paranjpe	Independent Director	10/10
	T. C. Suseel Kumar ¹	Nominee Director	3/3
	¹ Appointed as a member with effect from 20 October, 2022.		
Quorum	Three members. At least half of the members attending the meeting of the NRC shall be independent directors, of which one shall be a member of the RMC.		
Brief description of the charter	<ul style="list-style-type: none"> (i) To evaluate efficacy of the talent management and succession planning process adopted by the Bank and suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board, Senior management and key managerial personnel, functional head level, critical role holders on account of retirement / resignation / expiry of term of the chairperson, the directors, senior management, key managerial personnel, functional heads and the critical role holders. (ii) To set the goals, objectives and performance benchmarks for the Bank, whole-time directors and senior management. (iii) To review and recommend for the approval of the Board, the overall remuneration framework and associated policies of the Bank. (iv) To review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the policy on board diversity. (v) To carry out evaluation of performance of individual and independent directors, the Board as a whole and the committees thereof and based on the outcome of such performance evaluation, decide whether to re-appoint the director and assignment of additional roles, responsibilities and his remuneration. (vi) To consider and approve the grant of stock options to eligible employees of the Bank including the Managing Director & CEO, other whole-time directors, (vii) Senior management and eligible employees of the subsidiary companies of the bank, in terms of the employees stock option scheme formulated and adopted by the Bank under the relevant provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, from time to time. (viii) To review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, culture and ethics, conflict of interest, succession planning, talent management, performance management, and remuneration and HR risk management. 		
Meetings	During fiscal 2023, ten meetings of NRC were held on 25 April, 2022, 29 April, 2022, 17 June, 2022, 15 July, 2022, 26 July, 2022, 23 September, 2022, 19 October, 2022, 5 December, 2022, 22 January, 2023 and 24 March, 2023.		



6. Special Committee of the Board for Monitoring of Large Value Frauds

Composition and attendance The Special Committee of the Board for Monitoring of Large Value Frauds of the Bank (LVF) comprises of five members out of which three are independent directors.

Name of the members	Designation	Attendance
T. C. Suseel Kumar, Chairperson ¹	Nominee Director	4/4
S. Vishvanathan ²	Independent Director	3/3
Rakesh Makhija	Independent Director	4/4
Amitabh Chaudhry	Managing Director & CEO	4/4
Prof. S. Mahendra Dev	Independent Director	4/4
P. N. Prasad ³	Independent Director	1/1

¹ Appointed as a chairperson, with effect from 11 February, 2023.

² Ceased to be a member and chairperson with effect from 11 February, 2023.

³ Appointed as a member with effect from 11 February, 2023.

Quorum

Three members with at least one being a non-executive director.

Brief description of the charter

- (i) The major functions of the LVF is to monitor and oversee effective investigation of frauds of ₹ 10 million and above (Rupees one crore and above), so as to:
- To review the instances of large value frauds of ₹ 10 million and above (Rupees one crore and above), details of which shall be circulated to the committee immediately on detection.
 - Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same;
 - Identify the reasons for delay, in detection, if any, and reporting to top management of the Bank and RBI;
 - Monitor progress of CBI/Police investigation and recovery position;
 - Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;
 - Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls;
 - Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
- (ii) To review the reporting of all identified accounts to Central Fraud Monitoring Cell, RBI as per existing cut-offs and to review reporting of all accounts beyond ₹ 30 million (Rupees three crores and above) classified as RFA or 'frauds' on the Central Repository of Information on Large Credits (CRILC) data platform with the dates on which the accounts were classified as such as per the existing cut-offs along with the synopsis of the remedial action taken in respect thereof and their current status.

Meetings

During fiscal 2023, four meetings of LVF were held on 10 June, 2022, 7 September, 2022, 8 December, 2022 and 18 March, 2023.

7. Customer Service Committee

Composition and attendance The Customer Service Committee (CSC) comprises of four members out of which two are independent directors:

Name of the members	Designation	Attendance
G Padmanabhan, Chairperson	Independent Director	4/4
Amitabh Chaudhry [®]	Managing Director & CEO	3/4
T. C. Suseel Kumar	Nominee Director	4/4
Manoj Kohli ¹	Independent Director	2/2
Vasantha Govindan ²	Nominee Director	4/4

[®] Leave of absence was granted to the concerned director who had expressed his inability to attend the respective meeting.

¹ Appointed as a member with effect from 20 October, 2022.

² Ceased to be a member with effect from 27 March, 2023.

Corporate Governance

Quorum	Three members or 1/3 rd of total strength of the CSC, whichever is higher, out of which at least one member shall be an independent director of the Bank.
Brief description of the charter	<ul style="list-style-type: none"> (i) Oversee the functioning of various customer sub committees at the Bank. (ii) Review complaints and quality of service provided by the Bank and it's subsidiaries to ensure a robust grievance redressal mechanism. (iii) Approve policy documents and review effective implementation of RBI directives. (iv) Review progress on other regulatory matters. (v) Review the initiatives taken by the Bank to enhance customer experience.
Meetings	During fiscal 2023, four meetings of the CSC were held on 9 June, 2022, 13 September, 2022, 14 December, 2022 and 14 March, 2023.

8. IT & Digital Strategy Committee

Composition and attendance	The IT and Digital Strategy Committee (ITDSC) comprises of six members out of which four are independent directors.		
	Name of the members	Designation	Attendance
	G. Padmanabhan, Chairperson ¹	Independent Director	4/4
	Meena Ganesh ²	Independent Director	2/2
	Ashish Kotecha [®]	Nominee Director	3/4
	Girish Paranjpe	Independent Director	4/4
	Amitabh Chaudhry	Managing Director & CEO	4/4
	Manoj Kohli ³	Independent Director	2/2
	CH SS Mallikarjunarao ⁴	Independent Director	1/1
	S. Vishvanathan ⁵	Independent Director	3/3
	[®] Leave of absence was granted to the concerned director who had expressed his inability to attend the respective meeting. ¹ Appointed as a chairperson with effect from 20 October, 2022. ² Appointed as a chairperson with effect from 27 May, 2022 and ceased to be a member and chairperson with effect from 20 October, 2022. ³ Appointed as a member with effect from 20 October, 2022. ⁴ Appointed as a member with effect from 11 February, 2023. ⁵ Ceased to be a member with effect from 11 February, 2023.		
Quorum	Three members or 1/3 rd of total strength of ITDSC, whichever is higher.		
Brief description of the charter	<ul style="list-style-type: none"> (i) Approving IT Strategy and policies and ensuring that IT strategy is aligned with business strategy. (ii) Review of IT and cyber security Incidents. (iii) Ensure that IT architecture, investment, organizational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth. (iv) Assessing and reviewing the strategy for addressing IT and cyber security risks. (v) Exercise oversight to ensure effective functioning of the IT operations of the Bank. (vi) Review the business continuity plan (BCP) / disaster recovery (DR) plan of the Bank and exercise oversight over the efficacy of the BCP / DR process adopted by the Bank and recommend measures for its improvement. (vii) Review the progress made by the Bank on the digital banking front. 		
Meetings	During fiscal 2023, four meetings of ITDSC were held on 10 June, 2022, 13 September, 2022, 13 December, 2022 and 14 March, 2023.		



9. Corporate Social Responsibility Committee

Composition and attendance	The Corporate Social Responsibility Committee (CSR Committee) comprises of four members out of which three are independent directors.															
	<table border="1"> <thead> <tr> <th>Name of the members</th> <th>Designation</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>Rakesh Makhija, Chairperson</td> <td>Independent Director</td> <td>4/4</td> </tr> <tr> <td>Rajiv Anand</td> <td>Deputy Managing Director</td> <td>4/4</td> </tr> <tr> <td>Meena Ganesh</td> <td>Independent Director</td> <td>4/4</td> </tr> <tr> <td>Prof S. Mahendra Dev¹</td> <td>Independent Director</td> <td>2/2</td> </tr> </tbody> </table>	Name of the members	Designation	Attendance	Rakesh Makhija, Chairperson	Independent Director	4/4	Rajiv Anand	Deputy Managing Director	4/4	Meena Ganesh	Independent Director	4/4	Prof S. Mahendra Dev ¹	Independent Director	2/2
Name of the members	Designation	Attendance														
Rakesh Makhija, Chairperson	Independent Director	4/4														
Rajiv Anand	Deputy Managing Director	4/4														
Meena Ganesh	Independent Director	4/4														
Prof S. Mahendra Dev ¹	Independent Director	2/2														
	¹ Appointed as a member with effect from 20 October, 2022.															
Quorum	Three members or 1/3 rd of the total strength of the CSR Committee, whichever is higher.															
Brief description of the charter	<ul style="list-style-type: none"> (i) Formulate and recommend to the Board, the CSR Strategy, themes, focus areas and review mechanism including the CSR policy of the Bank. (ii) Review and approve, the CSR projects/programs to be undertaken by the Bank either directly or through Axis Bank Foundation (ABF) or through implementation partners as deemed suitable, during the fiscal year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR policy of the Bank. (iii) Review and approve the funds to be allocated for the CSR projects / programmes to be undertaken by the Bank during the fiscal year, in terms of the CSR policy of the Bank, subject to compliance with Section 135(5) of the Act. (iv) Review implementation of the CSR policy and AAP, such that the CSR project(s)/ program(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible. 															
Meetings	During fiscal 2023, four meetings of CSR Committee were held on 9 June, 2022, 7 September, 2022, 6 December, 2022 and 10 March, 2023.															

10. Review Committee

Composition and attendance	The Review Committee (RC) comprises of three members, out of which two are independent directors.															
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Name of the members	Designation	Attendance														
Amitabh Chaudhry, Chairperson	Managing Director & CEO	2/2														
Ketaki Bhagwati	Independent Director	2/2														
P.N. Prasad ¹	Independent Director	1/1														
S. Vishvanathan ²	Independent Director	1/1														
	¹ Appointed as a member with effect from 11 February, 2023															
	² Ceased to be a member with effect from 11 February, 2023															
Quorum	Three members or 2/3 rd of total strength of the RC, whichever is higher.															
Brief description of the charter	<ul style="list-style-type: none"> (i) To review and confirm the order(s) passed by the internal committee identifying a borrower as a wilful defaulter, in terms of Para 3 (c) of RBI Master Circular No. RBI/2015-16/100 DBR.No.CID. BC.22/20.16.003/2015-16 dated 1 July, 2015. (ii) To review and confirm the order(s) passed by the 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 22 December, 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 and review the efficacy of the said system at-least on an annual basis. 															
Meetings	During fiscal 2023, two meetings of RC were held on 22 September, 2022 and 23 March, 2023.															

Corporate Governance

11. Acquisitions, Divestments & Mergers Committee

Composition and attendance	The Acquisitions, Divestments and Mergers Committee (ADAM) comprises of five members out of which three are independent directors.																		
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Name of the members	Designation	Attendance																	
Rakesh Makhija, Chairperson	Independent Director	4/4																	
Ketaki Bhagwati	Independent Director	4/4																	
Amitabh Chaudhry	Managing Director & CEO	4/4																	
Meena Ganesh	Independent Director	4/4																	
Ashish Kotecha [®]	Nominee Director	2/4																	
	[®] Leave of absence was granted to the concerned director who had expressed his inability to attend the respective meeting.																		
Quorum	Three members or 1/3 rd of the total strength of the ADAM, whichever is higher.																		
Brief description of the charter	<ul style="list-style-type: none"> (i) The objective of the committee is to consider any proposals relating to mergers, acquisitions and strategic investments and divestments and recommend/ approve them in terms of the charter. (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. Equity / equity linked investment in a company / subsidiary company (under delegated authority of the Board) if the overall amount is in excess of ₹ 500 crores. (These excludes 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 greater than 25% stake in a company / subsidiary company of the Bank and equity / equity linked divestment in a company / subsidiary company if the overall amount is in excess of ₹ 500 crores. 																		
Meetings	During fiscal 2023, four meetings of ADAM were held i.e. on 15 October, 2022, 26 October, 2022, 6 January, 2022 and 17 March, 2023.																		

12. Committee of Whole-time Directors

Composition and attendance	The Committee of Whole-time Directors (COWTD) comprises of two members.									
	<table border="1"> <thead> <tr> <th>Name of the members</th> <th>Designation</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>Amitabh Chaudhry, Chairperson</td> <td>Managing Director & CEO</td> <td>12/12</td> </tr> <tr> <td>Rajiv Anand</td> <td>Deputy Managing Director</td> <td>12/12</td> </tr> </tbody> </table>	Name of the members	Designation	Attendance	Amitabh Chaudhry, Chairperson	Managing Director & CEO	12/12	Rajiv Anand	Deputy Managing Director	12/12
Name of the members	Designation	Attendance								
Amitabh Chaudhry, Chairperson	Managing Director & CEO	12/12								
Rajiv Anand	Deputy Managing Director	12/12								
Quorum	If the COWTD consists of three or less members, 100% of the strength of the COWTD. If the COWTD consists of more than three members, three Members or 1/3 rd of the total strength of the COWTD, whichever is higher.									
Brief description of the charter	<ul style="list-style-type: none"> (i) Issuance of general / special power of attorney to various officials of the Bank and the subsidiary companies of the Bank to do such acts, deeds, matters and things as may be considered necessary or appropriate for and on behalf 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 <i>inter alia</i> relating to the operations, strategies, business opportunities relating to the Bank and / or that of its subsidiaries. (v) To approve strategic and other investments and divestments up to ₹ 500 crores. (vi) To review and approve any proposals on investment and divestments in the share capital of the existing group entities up to ₹ 500 crores. (vii) Any other matter as may be authorised by the Board of directors / Board committees or required to be done pursuant to any laws, rules, regulations or any internal policies of the Bank. 									



Meetings	During fiscal 2023, twelve meetings of COWTD were held on 25 April, 2022, 30 May, 2022, 17 June, 2022, 18 July, 2022, 19 August, 2022, 19 September, 2022, 19 October, 2022, 21 November, 2022, 20 December, 2022, 16 January, 2023, 10 February, 2023 and 23 March, 2023.
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13. Environmental, Social and Governance Committee

Composition and attendance The Environmental, Social and Governance Committee (ESG) comprises of five members which includes three independent directors.

Name of the members	Designation	Attendance
Prof. S. Mahendra Dev, Chairperson	Independent Director	4/4
Amitabh Chaudhry	Managing Director & CEO	4/4
Ketaki Bhagwati	Independent Director	4/4
Ashish Kotecha [®]	Nominee Director	3/4
G. Padmanabhan ¹	Independent Director	2/2

[®] Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.

¹ Appointed as a member with effect from 20 October, 2022

Quorum Three members or 1/3rd of the total strength of the ESG Committee, whichever is higher.

Brief description of the charter

- (i) To guide and assist in setting the Bank's general strategy with respect to ESG matters.
- (ii) To consider and bring to the attention of the Board and/or management, current, and emerging ESG topics that may be material to the Bank or its stakeholders.
- (iii) To take note and advise the Board or management, as appropriate, on any significant stakeholder concerns relating to ESG matters.
- (iv) To review the Bank's ESG-aligned strategy, policies, practices, and disclosures for consistency with respect to applicable regulations.
- (v) To advise and assist the management in the adoption of ESG performance metrics, targets, and other such commitments, and monitor the Bank's progress.

Meetings During fiscal 2023, four meetings of the ESG Committee were held on 7 June, 2022, 9 September, 2022, 7 December, 2022 and 10 March, 2023.

Management Committee

The Management Committee (MANCOM) has been constituted as part of the governance and administrative structure of the Bank. The MANCOM comprises of MD & CEO, Deputy MD, group executives and head – human resources, as appointed from time to time.

The MANCOM meets regularly to review matters, *inter alia*, relating to business strategy & performance, financial reports & integrity, risk, compliance, customer experience & marketing, financial inclusion, human capital and any other matters considered important by the committee including those specified under various policies of the Bank.

Separate meeting of independent directors

During fiscal 2023, the independent directors of the Bank met on 28 April, 2022, 25 July, 2022 and 20 October, 2022 without the presence of executive directors and other members of management. During these meetings, the independent directors reviewed, *inter alia*, the outcome of Board performance evaluation as per the criteria recommended by the NRC and other governance related matters.

Thereafter, the independent directors at its meeting held on 27 April, 2023, evaluated the performance of the non-independent directors, the Board as a whole, the chairperson of the Bank after taking into account the views of the executive and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board, in accordance with Para VII to Schedule IV of the Act.

V. BOARD PERFORMANCE EVALUATION

The Bank believes that the annual performance evaluation of the Board plays a vital role in enhancing the Board's effectiveness. The performance evaluation of Board, its committees, chairperson and individual directors was done in compliance with the provisions of the Act and the SEBI Listing Regulations.

As has been the practice, the NRC as the nodal agency finalized the parameters, methodology and mechanism for conducting the Board performance evaluation for fiscal 2023. Online questionnaires were deployed for evaluation of the following parameters:

Corporate Governance

1. Board evaluation covering governance, strategic planning, audit and compliance, identification and management of risks, human resources, board's relationship with executive management, customer grievance / protection, financial inclusion, Board functioning and induction and professional development.
2. Evaluation of every committee's composition, terms of reference, fulfillment of assigned functions, regularity of meetings and attendance, appropriateness of agenda & timely circulation of same, value addition to the Bank, effective steering by the chairperson of committees and timely reporting to the Board.
3. Flow of information including regularity & agenda of meetings and timeliness & adequacy of preparatory information.
4. Chairperson effectiveness covering open-mindedness, decisiveness, professionalism, courtesy extended to other members and ability to steer the meetings and discussions, impartiality, encouraging dissent, facilitating consensus building, knowledge of the industry complexity, and surfacing issues of strategic importance.
5. Individual director's effectiveness covering knowledge and expertise, active participation and contribution during meetings, regularity and punctuality in attending meetings, preparation for meetings and keeping oneself abreast of matters, collaborative relationship with other directors, openness to others' input and acceptance of constructive feedback, uninhibited participation in meetings and willingness to bring forth their insights and integrity.

To enhance objectivity, an external agency was engaged for performance evaluation to ensure smooth execution and provide an eco-system for candid participation of every Board member.

The outcome of the said performance evaluation was reviewed by the NRC at its meeting held on 26 April, 2023 and by the independent directors at its meeting held on 27 April, 2023. The Board also reviewed the performance evaluation report, outcome and action areas at its meeting held on 28 April, 2023. The highlights of this year's Board performance evaluation included Board's involvement in the Bank's strategy and oversight on risk and regulatory matters.

The disclosure in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10 May, 2018, on Board evaluation, is detailed as under:

1. Observations of board evaluation carried out for the year: Five observations emanated from the Board performance evaluation for fiscal 2023, detailed as under:
 - (i) Closer focus on and smooth transition of the Board Chair.
 - (ii) Further improve Board agenda & information management.
 - (iii) Continue to lay thrust on further improving the institutionalization of compliance practices.
 - (iv) Closer focus on customer service & complaints.
 - (v) Oversight on Citi businesses' integration.
2. Previous year's observations and actions taken: Seven observations had emanated from the Board performance evaluation for fiscal 2022. These related to balancing of Board and committee agenda, planning for on-boarding of successors of Board members, reviewing skill set and adequacy of size of Board, interaction with directors of subsidiary companies, oversight on actionables relating to attrition and customer complaints, improvising preparatory information for Board / committee meetings and focus on new key themes by IT & Digital Strategy Committee. The Bank has complied with the said observations, which has been also reviewed by the NRC and the Board.
3. Proposed actions based on current year observations: The Bank has accepted all the observations made by the Board emanating from the Board performance evaluation for fiscal 2023. The status of compliance with the said observations will be reviewed by the NRC during the course of the fiscal 2024.

VI. REMUNERATION POLICY

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 has formulated and adopted a remuneration policy for non-executive chairperson and non-executive directors of the Bank which provides guidelines for payment of remuneration to the non-executive chairperson and non-executive directors of the Bank.



The Bank has also formulated a remuneration policy for MD & CEO, whole-time directors, material risk takers, control function staff and other employees of the Bank, in terms of the provisions of the Act, SEBI Listing Regulations and guidelines on compensation of whole-time directors / chief executive officers / material risk takers and control function staff, issued by the RBI on 4 November, 2019. This remuneration policy *inter alia* contains guidelines relating to compensation structure consisting of fixed pay, variable pay, employee stock options, compensation revision cycle and framework regarding malus / clawback. During fiscal 2023, the Board also reviewed and approved amendments to both the policies, in line with the extant laws.

The above policies are available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance>.

The remuneration paid to all the employees / MD & CEO / whole-time directors of the Bank, for fiscal 2023, is in accordance with the aforesaid remuneration policy.

VII. REMUNERATION OF DIRECTORS

A. Executive / whole-time directors

The details of remuneration paid to Managing Director & CEO and Deputy Managing Director during fiscal 2023, is as under:

(in ₹)

Particulars	Amitabh Chaudhry	Rajiv Anand
Salary (Basic)	44,030,424	28,918,188
Leave fare concession facility	999,996	549,996
House rent allowance	12,230,664	9,543,000
Reimbursement	3,190,673	225,380
Utility allowance and unutilized car benefit	1,109,971	2,073,719
Deferred variable pay (for fiscal 2021)	2,937,000	1,945,693
Variable pay (for fiscal 2022)	9,600,000	10,700,000
Superannuation allowance / fund	4,403,046	2,891,822
Perquisites (excluding ESOP)	13,787,801	3,439,577
Provident fund (Bank's contribution)	5,283,650	3,470,182
Gratuity	One month's salary for each completed year of service	One month's salary for each completed year of service
Leave encashment	-	-

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 Bank's policy.

1. Amitabh Chaudhry and Rajiv Anand were granted 369,014 and 248,783 stock options respectively for fiscal 2022 and approval for the same was received from the RBI in fiscal 2023.

The stock options were granted at ₹ 725.90 per share which was the closing market price prevailing on the day prior to the date of grant on the National Stock Exchange of India Limited.

The vesting schedule for the said stock options is spread over 4 (four) years @ 25% every year (commencing on expiry of one year from the date of grant).

2. 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, they do not receive any remuneration from any of the subsidiary companies of the Bank.
3. The Bank as a policy, does not pay any severance fees to its whole-time directors. The tenure of the office of whole-time directors is for a period of 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. The termination of services shall be in compliance with the provisions of Section 35B of the Banking Regulation Act, 1949.

Corporate Governance

B. Independent/nominee directors

The details of the remuneration paid to independent directors and nominee directors during fiscal 2023, are as under:

Sr. no.	Name of the directors	Designation	Sitting fees (in ₹)	Fixed remuneration (For fiscal 2023) (in ₹) ⁷
1.	Rakesh Makhija*	Independent Director and Part-Time Chairperson	3,100,000	3,300,000
2.	S. Vishvanathan ¹	Independent Director	2,850,000	1,555,000
3.	Ketaki Bhagwati	Independent Director	3,450,000	1,800,000
4.	Girish Paranjpe	Independent Director	4,800,000	1,800,000
5.	T. C. Suseel Kumar**	Nominee Director	3,500,000	1,600,000
6.	Meena Ganesh	Independent Director	3,600,000	1,800,000
7.	G. Padmanabhan	Independent Director	2,550,000	1,800,000
8.	Ashish Kotecha	Nominee Director	1,575,000	1,650,000
9.	Vasantha Govindan ^{2***}	Nominee Director	1,550,000	1,577,778
10.	Prof. S. Mahendra Dev	Independent Director	3,750,000	1,800,000
11.	Manoj Kohli ³	Independent Director	1,250,000	1,261,500
12.	P. N. Prasad ⁴	Independent Director	850,000	717,391
13.	CH SS Mallikarjunarao ⁵	Independent Director	400,000	262,223
	Total		33,225,000	20,923,892

¹ Ceased to be an Independent Director with effect from 11 February, 2023.

² Ceased to be a Nominee Director with effect from 27 March, 2023.

³ Appointed as an Independent Director with effect from 17 June, 2022.

⁴ Appointed as an Independent Director with effect from 20 October, 2022.

⁵ Appointed as an Independent Director with effect from 1 February, 2023.

⁶ All the independent directors and nominee directors of the Bank were paid sitting fees of ₹ 1,00,000 for every meeting of the Board, NRC, ACB, COD, RMC and ITDSC attended by them. In respect of meetings of other committees of the Board, they were paid sitting fees of ₹ 75,000 for every meeting attended by them.

⁷ In accordance with RBI circular dated 26 April, 2021 on 'corporate governance in banks - appointment of directors and constitution of committees of the board', the Bank paid fixed remuneration to its non-executive directors [except the independent part-time chairperson] which did not exceed ₹ 20 lacs per annum per director.

⁸ All the directors are entitled to reimbursement of expenses incurred during the performance of their duty as a director of the Bank.

⁹ The Bank does not grant stock options to its independent directors and nominee directors.

* In addition to sitting fees and remuneration, the non-executive (part-time) chairperson is entitled to free use of Bank's car for official and private purposes and travelling and official expenses for Board functions as a chairperson.

** The sitting fees was credited to the bank account of T. C. Suseel Kumar, whereas fixed remuneration was credited to the bank account of LIC.

*** The sitting fees and fixed remuneration were credited to the bank account of SUUTI.

VIII. FEES PAID TO STATUTORY AUDITORS

The details of fees for all services availed by the Bank and its subsidiary companies, on a consolidated basis, from the Joint Statutory Auditors, M P Chitale & Co. and CNK & Associates LLP and all entities in the network firm / network entity of which M P Chitale & Co. and CNK & Associates LLP are part thereof, during fiscal 2023, are as under:

Sr. No.	Particulars	Amount ¹
1.	Audit Fees	3,30,00,000
2.	Fees for certification and other attest services ²	69,75,000
3.	Non Audit Fees	-
	Total	3,99,75,000

¹ The above fees excludes taxes, clerkage fees and out of pocket expenses.



- ² The services of the Statutory Auditors have been obtained during the normal course of business for compliance with statutes and the guidelines of various regulators like SEBI, RBI etc. which specifically require the statutory auditor to undertake these activities and are not in the nature of management assurance.
- ³ No services have been availed by the subsidiaries of the Bank from the Joint Statutory Auditors.
- ⁴ The said fees have been reviewed and approved by the Audit Committee of the Bank.

IX. DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT

During the fiscal 2023, the Bank has not raised any funds through preferential allotment or qualified institutional placement of equity shares.

X. 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 (policy) and takes all necessary measures to ensure a harassment-free workplace and has instituted an Internal Complaints Committee (ICC) 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 of by the Bank, during fiscal 2023:

Particulars	No. of complaints
Number of complaints pending at the start of the fiscal year	5
Number of complaints of sexual harassment filed during the fiscal year	34
Number of complaints disposed off during the fiscal year	30
Number of complaints pending as on the end of the fiscal year	9

Number of workshops / awareness programs conducted against sexual harassment: 36.

Nature of action taken by the Employer or District Officer : As per the Bank's staff rules.

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

XI. EMPLOYEE ACCIDENTAL DEATHS

During fiscal 2023, there were no instances of employee accidental death at the workplace.

XII. WHISTLEBLOWER POLICY & VIGIL MECHANISM

The Bank has formulated and adopted a whistleblower policy to inquire / investigate / commend necessary action against an erring incumbent based on information received / complaint lodged with the Bank regarding any wrongdoing by a Bank official.

To ensure that the highest standards of corporate governance are maintained on an ongoing basis and to provide safeguards to various stakeholders (including shareholders, depositors, and employees), the Bank has formulated a 'whistleblower policy'. The policy provides all stakeholders with the opportunity to address serious concerns arising from irregularities, malpractices and other misdemeanors committed by the Bank's officials by approaching a Whistleblower Committee set up for the purpose, without fear of retribution or vengeful action from the persons against whom the complaint was submitted. If the offences are committed by senior management, the policy enables the Bank's staff to report the concerns to the ACB. It complies with the relevant provisions of Section 177(9) of the Act, rules made thereunder and Regulation 4(2) (d) and Regulation 22 of the SEBI Listing Regulations.

To ensure smooth flow and management of complaints under the whistleblower policy, a web-based application - '<https://whistleblower.axisbank.co.in>' has been set up, providing 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 encourage speaking up to initiate preventive action.

The Bank has not denied access to any of its employees to the Chairperson of the ACB and that the policy contains adequate provisions for protecting whistleblowers from unfair termination and other unfair prejudicial and employment practices.

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The ACB reviews a synopsis of the complaints received and the resolution thereof every quarter 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/webforms/code-of-commitment>.

XIII. SUBSIDIARY COMPANIES

As on 31 March, 2023, the Bank does not have any unlisted Indian subsidiary companies, which could be deemed to be a material subsidiary, in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. All matters relating to subsidiary governance is overseen by the Board and Board committees and operationalized under the aegis of a Subsidiary Management Committee (SMC) of the Bank. SMC is constituted in accordance with SEBI requirement on having a group governance structure at the parent level. The SMC meets at least once every quarter.

The minutes of the meetings of the Board of all unlisted subsidiary companies of the Bank are tabled at the meetings of the Board of the Bank. The minutes of the meetings of the ACB of unlisted subsidiary companies of the Bank are tabled at the meetings of the ACB of the Bank. A snapshot of the customer complaints which are received by subsidiary companies of the Bank along with the remedial measures are placed before CSC.

ACB reviews the investments made by subsidiaries. Further, it also evaluates the statement of all significant transactions and arrangements entered by subsidiary companies and the compliances of each materially significant subsidiary on a periodic basis.

The RBI has identified Axis Group as a financial conglomerate (FC) under inter regulatory forum (IRF) mechanism which necessitates continuous oversight on subsidiary companies. The oversight on Bank's subsidiaries is an essential element for the implementation of well aligned corporate governance principles across group entities. It assists in integration of 'One Axis' theme of the Bank, by sharing uniform practices across the group and building up synergy in common practices thereby creating value and investor confidence.

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.

Performance of each subsidiary company is reviewed by the MD & CEO of the Bank. Further, detailed presentation by subsidiary companies is presented to the Board, every quarter. At least one member of the Management Committee is nominated on the board of the subsidiary companies of the Bank. The said members are responsible for reviewing the matters relating to strategy, business plan and performance of the concerned subsidiary companies.

XIV. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

As required under Regulation 16(1)(c) of the SEBI Listing Regulations, the Bank has formulated and adopted the policy for determining material subsidiaries (policy). During the year, the policy has been reviewed by the RMC and the Board. The said policy has been hosted on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/07policy-for-determining-material-subsiadiary.pdf>.

XV. DIRECTORS AND OFFICERS INSURANCE

The Bank has a directors and officers insurance policy (policy) in place which protects directors and officers of the Bank for any actual or alleged breach of fiduciary duty. Amongst other things, the policy offers protection for costs related to investigation & extradition, deprivation of asset expenses, outside entity directorship liability, entity coverage for securities related issues and special excess protection for non-executive directors.

XVI. INSIDER TRADING

The Bank has a share dealing code and the code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) of the Bank, in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations), as amended from time to time.

The share dealing code of the Bank comprises of Chapter A which is applicable to 'designated persons' and their immediate relatives for trading in securities of the Bank and Chapter B which is applicable to 'persons designated for restricted list' and their immediate relatives for trading in securities of listed client companies (LCC).

The Bank in the ordinary course of its business, is likely to be entrusted with UPSI by LCC and is thus, expected to discharge its fiduciary obligations by maintaining confidentiality of such UPSI, in the interest of such LCC and in compliance with the



Insider Trading Regulations. The compliance officer has taken necessary steps to restrict the persons designated under restricted list from trading in securities of such LCC.

The Bank has adequate and effective systems, internal controls and processes, to ensure compliance with the provisions of the share dealing code, the code of practices and procedures for fair disclosure of UPSI and the Insider Trading Regulations. The Bank conducts awareness programs and circulates do's and dont's, for the designated persons, from time to time. During fiscal 2023, the Board also reviewed and approved amendments to the said codes, in line with the extant laws.

The Bank has also formulated and adopted the policy for determination of materiality of events / information of the Bank, in terms of Regulation 30 of the SEBI Listing Regulations. During fiscal 2023, the said policy was subjected to an annual review and amendments as mandated under applicable regulations, were reviewed and approved by the Board. The policy for determination of materiality of events / information and the code of practices and procedures for fair disclosure of UPSI of the Bank have been uploaded on the website at <https://www.axisbank.com/shareholders-corner/corporate-governance> in compliance with the said Regulations.

XVII. COMPLIANCE CERTIFICATE

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant heads of departments by the compliance department. A report duly signed by the Chief Compliance Officer of the Bank confirming compliances with applicable laws, is placed before the ACB and the Board, on a quarterly basis.

XVIII. CEO & CFO CERTIFICATION

A certificate issued by Amitabh Chaudhry, MD & CEO and Puneet Sharma, Group Executive & CFO of the Bank, for fiscal 2023, was placed before the Board at its meeting held on 27 April, 2023, in terms of Regulation 17(8) of the SEBI Listing Regulations. CEO & CFO certificate is attached as **Annexure 1** to this report.

XIX. DIRECTORS E-KYC

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

XX. OTHER DISCLOSURES

Related party transactions

During fiscal 2023, the Bank has not entered into any materially significant transactions with its related parties, which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into with them in the ordinary course of its business. The policy on related party transactions is available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/6policy-on-related-party-transactions.pdf>.

Transactions of senior management

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.

Instances of non-compliance

There were no instances of non-compliance by the Bank or penalties and strictures imposed by the stock exchanges or SEBI or other statutory authorities on any matter related to capital markets during the last three years, except the following:

- (i) SEBI vide its letter dated 28 April, 2020 issued an administrative warning for not intimating SEBI on appointment of compliance officer (merchant banking) and that the compliance officer did not have the required NISM certification, as observed during the inspection of the Bank as 'merchant banker'. The Bank has appointed new compliance officer (merchant banking) who has the required NISM certification. The same has been informed to SEBI.
- (ii) SEBI vide its letter dated 28 December, 2020, observed delay in making disclosures by the Bank under the Insider Trading Regulations and in this regard has informed the Bank that the matter has been viewed seriously and has warned the Bank to be careful in future to avoid recurrence of such instances and to be more cautious in filing disclosures, failing which action may be initiated in accordance with the provisions of the SEBI Act, 1992 and rules and regulations framed thereunder.

- (iii) SEBI issued a summary settlement notice dated 28 December, 2020 in relation to an alleged default under Regulation 7(2)(b) of the Insider Trading Regulations. The Bank without admitting or denying the findings of facts and conclusions of law submitted a settlement application on 29 January, 2021 to SEBI, in accordance with the provisions of the SEBI (Settlement Proceedings) Regulations, 2018 and paid the settlement amount of ₹ 41.43 lacs.

Thereafter, SEBI passed a settlement order dated 15 February, 2021 (the settlement order), consequent to which the proceedings to be initiated for the alleged default was disposed-off and the matter stands settled.

- (iv) SEBI carried out inspection of the designated depository participant (DDP) activities of the Bank for fiscal 2019 and issued administrative warning and deficiency letter for contravention with Regulation 31(2)(a), 32(1) of SEBI (FPI) Regulations, 2019 and for contravention with para 2.3 of SEBI Circular CIR/IMD/FIIC/09/2014 dated 28 April, 2014. The Bank has submitted its response on 25 February, 2021.
- (v) The Bank received a show cause notice (SCN) from SEBI vide e-mail dated 3 March, 2021, issued under Rule 4 of the SEBI (Procedure for Holding inquiry and imposing penalties) Rules, 1995. As per the Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992, the merchant banker is required to submit to SEBI complete particulars of any transaction for acquisition of securities of any body-corporate whose issue is being managed by that merchant banker within 15 days from the date of entering into such transaction. The internal audit department (IAD), while conducting the audit of debt capital markets (DCM) department observed that the Bank had inadvertently failed to report transactions as required under Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992. The Bank vide its e-mail dated 30 December, 2019 informed SEBI about the inadvertent non-reporting.

The Bank had submitted response to SCN vide e-mail dated 16 March, 2021. Further, at the hearing conducted on 26 April, 2021, through video conference with respect to the adjudication proceedings the Bank was granted time till 4 May, 2021 to make additional submissions in the matter. Basis the response to the SCN and submissions made by the Bank during personal hearing, the adjudicating officer observed that the Bank had failed to comply with the SEBI regulations for three years (August, 2016 to August, 2019). However, he also noted that :

- The Bank observed the irregularities and informed SEBI.
- No investor complaints were received due to this irregularity.
- The Bank has taken necessary corrective steps to avoid recurrence of such lapses.

Considering these facts, the adjudicating officer has imposed a penalty of ₹ 5 lacs on the Bank.

- (vi) SEBI carried out inspection of the custodian activities of the Bank for fiscal 2019 and issued administrative warning and deficiency letter for contravention with clauses 1, 2, 3 and 10 of the code of conduct prescribed at Regulation 12 of the SEBI (Custodian) Regulations, 1996. The Bank has submitted its response on 6 April, 2021.
- (vii) SEBI had carried out inspection of the DDP activities of the Bank for fiscal 2021. During the inspection, SEBI observed that the designated Compliance Officer was undertaking operational activity by acting as a checker, there was no employee other than the Compliance Officer for carrying out DDP operations from April 2021 to June 2021. SEBI also observed that there were discrepancy in the report of DDP and NSDL, operational manual was not updated, KYC review was not done for two clients and fees were collected from FPI prior to receipt of application. In view of the above, SEBI issued an administrative warning on 9 March, 2023, which was received by the Bank on 21 April, 2023. The Bank has taken corrective actions and submitted its response to SEBI on 27 April, 2023.

Certificate on non-disqualification of directors

The Secretarial Auditor has certified that none of the directors of the Bank have been debarred or disqualified from being appointed or continuing as a director of the Bank by SEBI / Ministry of Corporate Affairs or any other statutory / regulatory authority. The said certificate is annexed to this report.

Compliance with governance norms

The Bank has complied with all the mandatory requirements, as prescribed under the SEBI Listing Regulations relating to corporate governance.

Except sending half-yearly financial results to the members, the Bank has adopted all the other non-mandatory requirements mentioned in Part E of Schedule II of SEBI Listing Regulations, detailed as under:

- (i) Maintenance of Chairperson's office at the Bank's expense and reimbursement of expenses incurred by the non-executive chairperson in performance of his duties,
- (ii) Separate post of Chairperson and Managing Director & CEO,



- (iii) Regime of financial statements with unmodified audit opinion,
- (iv) Chief audit executive directly reporting to the ACB.

The Bank has obtained a certificate from joint statutory auditor, M P Chitale & Co. (Registration No.101851W) Chartered Accountants, Mumbai, confirming that the Bank has complied with all the mandatory requirements as stipulated under the SEBI Listing Regulations relating to corporate governance. The said certificate is enclosed at the start of this report.

Codes of conduct

The Board has formulated and adopted the code of conduct and conflict of interest norms for the Board of directors, and the code of conduct and ethics of the Bank (the code of ethics), in terms of Regulation 17(5) of the SEBI Listing Regulations relating to corporate governance.

The code of conduct and conflict of interest norms for the Board of directors provides for do's and don'ts to be followed by the directors of the Bank and also contains norms with respect to conflict of interest, skill development, health, confidentiality, insider trading and sexual harassment etc. During fiscal 2023, the amendments to the said code were reviewed and approved by the Board.

The code of ethics is a statement of the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing their roles and responsibilities across various functions in the Bank.

The code of ethics is intended to be the charter for day-to-day work, to enable employees to make the right decisions and, therefore, serves to (1) underline the fundamental commitment to compliance with regulatory guidelines and laws of the land, (2) set forth basic parameters of ethical and acceptable social behavior, and (3) establish a system for detection and reporting of known or suspected ethical or violations of regulations.

The said codes have been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance> in compliance with the SEBI Listing Regulations.

The certificate issued by the MD & CEO of the Bank confirming that all the directors and members of the senior management of the Bank have affirmed compliance with the said codes as applicable to them, is attached as **Annexure 2** to this report.

CEO/CFO CERTIFICATION AS PER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

The Board of Directors
Axis Bank Limited.

In terms of Regulation 17(8) of the Listing Regulations, we certify that:

- a) We have reviewed the audited financial statements and the cash flow statement for the year ended 31 March, 2023 and that to the best of our knowledge and belief:
 - (i) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These results together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions which have been entered into by the Bank during the year that are fraudulent, illegal or violative of the Bank's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the audited financial statements; and
 - (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Amitabh Chaudhry
Managing Director & CEO

Puneet Sharma
Group Executive & CFO

Place: Mumbai
Date: 27 April, 2023

**Annexure 2****COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS AND THE CODE OF CONDUCT AND ETHICS OF THE BANK, FOR FISCAL 2023**

I confirm that for the year under review, all the directors and members of the senior management of the Bank, have affirmed compliance with the said codes, as applicable to them.

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 28 April, 2023

Corporate Governance

GENERAL SHAREHOLDER INFORMATION

[Pursuant to Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations)]

Contact information

Registered office	Corporate office	Registrar & Share Transfer Agent
Axis Bank Limited [CIN: L65110GJ1993PLC020769] 'Trishul', 3 rd floor, opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat Tel. no.: +91 79 6630 6161 Fax no.: +91 79 2640 9321 Email: shareholders@axisbank.com Website: www.axisbank.com	Axis Bank Limited 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra Tel. no.: +91 22 2425 2525 Fax no.: +91 22 2425 1800 Email: shareholders@axisbank.com Website: www.axisbank.com	KFin Technologies Limited (KFIN) Unit: Axis Bank Limited Selenium tower - B, plot no. 31 & 32, Financial district, Nanakramguda, Serilingampally, Hyderabad - 500032 Telangana Tel. no.: +91 40 6716 2222 Toll free no.: 1800 3094 001 Email: einward.ris@kfintech.com Website: www.kfintech.com
Debenture trustees		Depository for Global Depository Receipts (GDR)
IDBI Trusteeship Services Limited Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort, Mumbai- 400001, Maharashtra Tel. no.: (91) (22) 40807066, Email: itsl@idbitrustee.com Website: www.idbitrustee.com	SBI Cap Trustee Company Limited Mistry Bhavan, 4 th floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai - 400 020, Maharashtra Tel. no.: +91 22 4302 5555 Email: helpdesk@sbicaptrustee.com Website: www.sbicaprtrustee.com	The Bank of New York Mellon 240 Greenwich Street New York - 10286 Tel. no.: +1 212 495 1784 Fax no.: 001 212 571 3050 Email: shrrelations@bnymellon.com Website: www.adrbnymellon.com

29th Annual general meeting (AGM)

Day / date / time	The day / date / time of the AGM and matters related thereto will be decided by the Board of Directors of the Bank (the Board) in due course and the details thereof will be communicated to the relevant stakeholders.
Mode	
E - voting dates	
Participation through video-conferencing	

Fiscal year

The Bank follows the fiscal year starting from 1 April to 31 March, every year.

Meeting calendar

The schedule of the meetings of the Board to be held to *inter alia* review and approve the unaudited / audited financial results of the Bank, in respect of fiscal 2024, in terms of Regulation 33(3) of the SEBI Listing Regulations, is detailed as under:

Purpose	Tentative date
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter ending 30 June, 2023	Last week of July, 2023
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter / half year ending 30 September, 2023	Last week of October, 2023
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter / nine months ending 31 December, 2023	Last week of January, 2024
Audited annual financial results (standalone and consolidated) of the Bank, for the fiscal year ending 31 March, 2024	Last week of April, 2024



Dividend

In view of the overall performance of the Bank and while retaining capital to support future growth, the Board has recommended a dividend of ₹ 1/- per equity share of face value of ₹ 2/- each of the Bank, for fiscal 2023, subject to approval of the members at the 29th AGM of the Bank. The dividend, if approved by the members, will be paid on or after five days from the date of the AGM.

Investor's FAQs including dividend related information are available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>.

The record date for payment of dividend is mentioned in the notice of the ensuing 29th AGM of the Bank.

Payment of dividend through electronic mode

In terms of Regulation 12 and Schedule I of the SEBI Listing Regulations, every listed entity is required to mandatorily make all payments to members, 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 members available with the depository participants to facilitate payment through electronic mode.

All members of the Bank holding equity shares in electronic form are requested to provide details relating to their bank account number, including nine digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile numbers to their depository participants.

All members of the Bank holding equity shares in physical form are requested to provide details relating to their bank account number, indicating nine digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile numbers to KFIN at Selenium Tower - B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, 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 demand draft and print the bank account details available with KFIN on the said demand draft to avoid fraudulent encashment.

Unclaimed dividend

Pursuant to the provisions of Section 125 of the Companies Act, 2013 (Act) and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Bank is required to transfer the amount of dividend lying unclaimed for a period of seven consecutive financial years from the date of its transfer to the unpaid dividend account, to Investor Education Protection Fund (IEPF). Accordingly, unclaimed dividend amounting to ₹ 8,981,325 in respect of fiscal 2015 was transferred by the Bank to the IEPF, on 26 September 2022.

The details of the unclaimed dividend as on 31 March, 2023 and the last date for claiming the same, prior to its transfer to the IEPF authority, are as under:

Fiscal year	Unclaimed dividend as on 31 March, 2023 (In ₹)	% to total dividend declared	Date of declaration of dividend	Last date for claiming dividend prior to its transfer to the IEPF Authority
2015-16	11,339,750	0.09	22 July, 2016	28 August, 2023
2016-17	12,834,720	0.11	26 July, 2017	31 August, 2024
2017-18			No dividend declared	
2018-19	1,937,207	0.07	20 July, 2019	25 August, 2026
2019-20			No dividend declared	
2020-21			No dividend declared	
2021-22	2,319,013	0.08	29 July, 2022	4 September, 2029
Total	28,430,690			

Members of the Bank are requested to verify details of their unclaimed dividends in respect of fiscal 2016, fiscal 2017, fiscal 2019 and fiscal 2022, and lodge their claim with KFIN, prior to the date of its transfer by the Bank, to the IEPF authority. Members may write to KFIN at einward.ris@kfintech.com, for any assistance, in this regard.

Corporate Governance

Transfer of underlying equity shares to the IEPF

Pursuant to the provisions of Sections 124 and 125 of the Act and the relevant provisions of the IEPF authority rules, the equity shares of the Bank, on which the dividend has not been claimed for seven consecutive years, are liable to be transferred by the Bank to the IEPF.

Accordingly, till 31 March, 2023, the Bank has transferred 11,36,194 underlying equity shares, to the IEPF.

The Bank does not have any equity shares in the unclaimed suspense account / suspense escrow demat account, as on 31 March, 2023.

Guidelines to claim unclaimed dividends / shares

The detailed guidelines for claiming unclaimed dividends / shares which have been transferred to the IEPF, in accordance with the said rules, are mentioned in the investor's FAQs. The link to the same is provided under the 'dividend' section above.

Equity shares

The equity shares of the Bank are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The International Securities Identification Number (ISIN) in respect of the equity shares of the Bank is INE238A01034. The annual listing fees for fiscal 2023 have been paid by the Bank to the stock exchanges.

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 annual custodian fees for fiscal 2023 have been paid by the Bank to the depositories.

The equity shares of the Bank have not been suspended from trading on the said stock exchanges or by any regulatory / statutory authority.

Details of stock exchange	Stock exchange codes	Reuters codes	Bloomberg codes
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website: www.bseindia.com	532215	BSE - AXISBANK.BO	BSE - AXSB IN
The National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Website: www.nseindia.com	AXISBANK	NSE - AXBK.NS	NSE - AXSB IS

Global depository receipts (GDR) / American depository receipts (ADR)

The Bank has in the course of its international offerings to overseas investors issued and allotted securities linked to equity shares of the Bank in the form of GDRs in March 2005, April 2005, July 2007 and September 2009.

The said GDRs are listed and traded on London Stock Exchange (LSE). Each GDR is represented by five equity shares. The number of equity shares representing outstanding GDRs as on 31 March, 2023 were 74,358,165.

Details of stock exchange	Stock exchange code	ISIN
London Stock Exchange 10 Paternoster Square London, EC4M 7LS, United Kingdom Website: www.londonstockexchange.com	AXB	US05462W1099

The Bank has not issued any GDRs / ADRs during fiscal 2023.

Dematerialisation of shares and liquidity

The equity shares of the Bank are required 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 March, 2023, 99.88% of the total issued and paid up equity share capital of the Bank was held in electronic form and 0.12% of the total issued and paid up equity share capital of the Bank was held in physical form.

No equity shares of the Bank held in physical form were transferred / processed, during the last three fiscal years.

As required under Regulation 40(9) of the SEBI Listing Regulations, Ahalada Rao. V & Associates, Practicing Company Secretaries, (C. P. no. 13407), Hyderabad, examines the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on yearly basis and issues a certificate confirming compliance with the provisions of the said Regulations.



Distribution of Shareholding

The distribution of shareholding of the Bank as on 31 March, 2023, is detailed as under :

Sl. no.	Category (shares)	Electronic form		Physical form		Total		
		No. of shareholders	No. of shares	No. of shareholders	No. of shares	No. of shareholders	No. of shares	% of capital
1.	1 - 5,000	865,859	88,374,227	3,782	2,840,207	869,641	91,214,434	2.96
2.	5,001 - 10,000	4,976	17,808,233	159	558,360	5,135	18,366,593	0.60
3.	10,001 - 20,000	2,262	16,053,788	12	90,450	2,274	16,144,238	0.52
4.	20,001 - 30,000	732	9,037,229	4	51,800	736	9,089,029	0.30
5.	30,001 - 40,000	389	6,838,483	0	0	389	6,838,483	0.22
6.	40,001 - 50,000	262	5,865,090	1	25,000	263	5,890,090	0.19
7.	50,001 -100,000	557	19,716,339	1	49,500	558	19,765,839	0.64
8.	100,001 & above	1,927	2,909,543,306	0	0	1,927	2,909,543,306	94.56
	Total	876,964	3,073,236,695	3,959	3,615,317	880,923	3,076,852,012	100.00

Shareholding pattern

Category wise shareholding pattern of the Bank as on 31 March, 2023 is detailed as under:

Sr. no.	Category / shareholder	As on 31 March, 2023	
		No. of shares	% to capital
A.	Promoters		
1.	Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	0	0.00
2.	Life Insurance Corporation of India	244,860,645	7.96
	Total promoter shareholding - A	244,860,645	7.96
B.	Domestic shareholders		
3.	Indian FIs / banks / AIF / NBFC / QIB	187,079,415	6.08
4.	Indian MFs	709,434,695	23.06
5.	Indian body corporates	41,143,562	1.34
6.	Indian residents	183,183,640	5.95
7.	Insurance group	66,404,826	2.16
	Total domestic shareholding - B	1,187,246,138	38.59
C.	Foreign shareholders		
8.	FII/FPI/QFI FII	1,470,570,626	47.79
9.	FDI (GDR)	74,358,165	2.42
10.	FDI (Others)	89,250,000	2.90
11.	Foreign bodies - DR	986	0.00
12.	Foreign nationals	402	0.00
13.	NRIs	10,565,050	0.34
	Total foreign shareholding - C	1,644,745,229	53.45
	Total - A+B+C	3,076,852,012	100.00

Corporate Governance

Shareholders holding more than 1% equity share capital of the Bank as on 31 March, 2023 are as under:

Sr. no.	Name of the shareholder	No. of shares held	% to capital
1.	Life Insurance Corporation of India	244,860,645	7.96
2.	SBI Nifty 50 ETF	143,688,357	4.67
3.	ICICI Prudential Bluechip Fund	100,386,973	3.26
4.	Dodge and Cox International Stock Fund	97,674,150	3.17
5.	The Bank of New York Mellon DR	74,358,165	2.42
6.	NPS Trust- A/C UTI Retirement Solutions Pension FU	66,515,332	2.16
7.	HDFC Trustee Company Limited a/c HDFC Balanced Advantage Fund	65,425,947	2.13
8.	Government of Singapore	65,198,885	2.12
9.	Nippon Life India Trustee Limited a/c Nippon India ETF Nifty Bank Bees	56,185,766	1.83
10.	Government Pension Fund Global	54,667,895	1.78
11.	Mirae Asset Large Cap Fund	53,860,184	1.75
12.	Kotak Flexicap Fund	52,603,578	1.71
13.	UTI - Nifty Exchange Traded Fund	48,258,983	1.57
14.	Aditya Birla Sun Life Trustee Private Limited a/c Aditya Birla Sun Life Frontline Equity Fund	45,169,888	1.47
15.	BC Asia Investments VII Limited – FDI	38,920,000	1.27
16.	Vanguard Emerging Markets Stock Index Fund A Seri	31,601,155	1.03

Note: The above shareholding is on the basis of permanent account number.

Convertible warrants

As on 31 March, 2023, the Bank has no outstanding warrants pending for conversion.

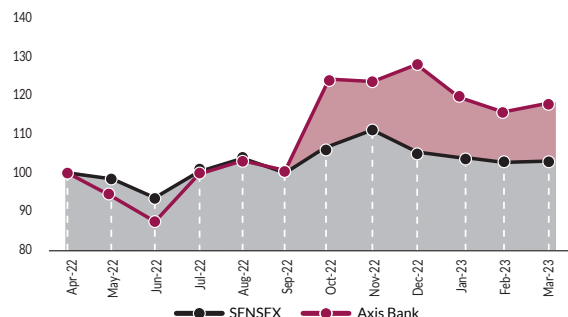
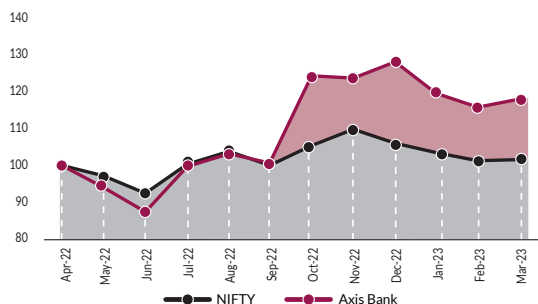
Market price data

The high and low closing prices of the Bank's equity shares and GDRs as traded during fiscal 2023 are detailed as under:

Month	NSE			BSE			LSE (GDRs)		
	High (₹)	Low (₹)	No. of shares Traded	High (₹)	Low (₹)	No. of shares traded	High (USD)	Low (USD)	No. of GDRs traded
April, 2022	816.20	725.00	193,156,671	816.00	725.00	5,793,899	53.90	47.15	23,1194
May, 2022	738.20	630.05	209,893,321	738.00	630.80	6,661,419	49.00	40.30	231,575
June, 2022	698.00	618.25	163,912,580	697.50	618.10	3,206,529	44.55	39.05	159,487
July, 2022	738.80	631.80	183,089,641	738.75	631.80	7,264,602	46.00	40.20	138,198
August, 2022	776.00	712.20	144,763,014	776.00	712.30	8,236,737	52.00	44.95	132,117
September, 2022	816.20	707.70	217,887,874	816.00	706.00	26,775,137	51.50	42.65	134,948
October, 2022	919.95	721.05	244,528,831	919.95	720.80	8,990,248	56.00	43.30	330,266
November, 2022	905.10	841.00	203,936,405	905.00	841.00	47,394,831	58.00	51.70	339,005
December, 2022	958.90	891.40	166,971,020	958.90	891.50	3,542,191	58.30	54.70	211,595
January, 2023	970.00	846.15	197,237,323	970.45	846.35	3,281,051	58.80	52.10	242,239
February, 2023	899.15	829.55	156,448,291	898.85	830.00	2,423,794	53.50	49.95	196,492
March, 2023	874.25	814.30	223,693,768	874.20	814.25	2,795,739	53.10	48.45	176,256

Source: Websites of BSE, NSE and Marketwatch.

GRAPH IN COMPARISON TO NIFTY & SENSEX





Debt securities

The debt instruments issued and allotted 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 London Stock Exchange (ISM) Singapore Stock Exchange (SGX-ST), India International Exchange (IFSC) Limited and NSE IFSC Limited at GIFT City.

Details of stock exchange	Stock exchange code
London Stock Exchange 10 Paternoster Square, London, EC4M 7LS, United Kingdom Website: www.londonstockexchange.com	AXB
Singapore Stock Exchange Singapore Exchange Securities Trading Limited (Attention: SGXNet Services Operations) 2 Shenton Way, #02-02, SGX Centre 1, Singapore - 068804 Website: www.sgx.com	-
India International Exchange (IFSC) Limited 1 st Floor, Unit no. 102, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City Gandhinagar, Gujarat - 382355 Website: www.indiainx.com	-
NSE IFSC Limited Unit no. 1201, Brigade International Financial Centre, 12 th Floor, Block -14, Road 1 C, Zone 1, GIFT SEZ, Gandhinagar Gujarat - 382355 Website: www.nseifsc.com	-

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 March, 2023 along with outlook are as under:

Sr. no.	Type of security	ICRA		CARE Ratings		CRISIL		India Ratings	
		Credit rating	Outlook	Credit rating	Outlook	Credit rating	Outlook	Credit rating	Outlook
1.	Certificate of deposits	ICRA A1+	-	-	-	CRISIL A1+	-	-	-
2.	Tier II bonds	-	-	CARE AAA	Stable	-	-	-	-
3.	Infrastructure bond	ICRA AAA	Stable	CARE AAA	Stable	CRISIL AAA	Stable	-	-
4.	Tier II (under basel III)	ICRA AAA	Stable	CARE AAA	Stable	CRISIL AAA	Stable	IND AAA	Stable
5.	Tier I (basel III compliant)	ICRA AA+	Stable	-	-	CRISIL AA+	Stable	IND AA+	Stable
6.	Fixed deposit	ICRA AAA	Stable	-	-	-	-	-	-

MTN (Senior unsecured) securities have been rated BB+ with stable outlook by Fitch, Baa3 with stable outlook by Moody's and BBB- with stable outlook by S&P. During the fiscal year, S&P Ratings has revised the outlook to stable from positive and long term rating to BBB- from BB+. Fitch Ratings has revised the outlook to stable from negative.

Green bonds

The Bank had issued its inaugural green bonds of USD 500 million (ISIN XS1410341389) in June, 2016. The bonds are the first certified green bond by an Asian bank – Axis Bank's green bond was certified under climate bonds initiative standards version 2.1. It was also the first bond issued by an Indian company to be listed on LSE.

The bonds were issued under the 'Green Bond Framework' established by the Bank. The framework defined the use of proceeds criteria for selection and evaluation of projects monitoring utilisation of proceeds and reporting guidelines. The framework was reviewed by KPMG and it provided an independent assurance report as required under the climate bonds standards.

The proceeds of issue of green bonds were allocated to renewable energy projects, low carbon transport projects and energy efficient buildings. In order to monitor the proceeds a Green Bond Committee was constituted by the Bank. Utilisation of said proceeds were tracked on a monthly basis and shortfall if any was parked in government securities and other money market instruments as per extant norms.

Corporate Governance

Investor services

KFIN has been entrusted with the task of administering all aspects relating to investor services for and on behalf of the Bank. KFIN 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.

Investors are requested to write to the registered office of the Bank or to KFIN for availing any services or may address their correspondence / complaints to shareholders@axisbank.com or einward.ris@kfintech.com.

Members can contact KFIN for redressal of queries by visiting <https://kprism.kfintech.com/> for query registration through free identity registration process. Members can also submit their queries on the above website which would generate a registration number. For accessing the status / response to the query submitted the grievance registration number can be used at the option 'click here to track your grievance' after 24 hours.

Investor complaints / correspondence

The details of the investor complaints received and redressed by the Bank during the last three fiscals are as under:

Received from statutory / regulatory authorities	No. of complaints received			No. of complaints unresolved as on 31 March, 2023
	Fiscal 2023	Fiscal 2022	Fiscal 2021	
SEBI SCORES	11	15	9	0
Stock exchanges	2	6	12	0
NSDL / CDSL	0	0	0	0
Ministry of Corporate Affairs (MCA)	0	0	0	0
Reserve Bank of India (RBI)	0	0	0	0
Total no. of complaints received	13	21	21	0
Total no. of complaints redressed	13	21	21	0

There were no investor complaints pending as on 1 April, 2023. During fiscal 2023, the Bank received 13 complaints from the members. The Bank had attended to all the complaints and no complaints were pending or remained unsolved to the satisfaction of the members as on 31 March, 2023.

The details of the investor correspondences received and redressed by the Bank during fiscal 2023 are as under:

Nature of correspondences	Opening balance as on 1 April, 2022	Received	Replied	Pending as on 31 March, 2023
Non-receipt and revalidation of dividend warrant	0	626	626	0
Change in address	0	91	91	0
Incorporation of ECS details	0	26	26	0
Change /correction in name	0	60	60	0
Change in bank mandate	0	16	16	0
Registration of nominee	0	101	101	0
Others	0	373	373	0
Total	0	1,293	1,293	0

During fiscal 2023, the Bank received 1,293 investor correspondence(s) from its investors, capital market intermediaries etc., *inter alia* in respect of the services relating to the securities issued by the Bank by post, web-based query redressal system of KFIN and through emails.

The statement highlighting the status of the investor correspondence(s) / complaint(s) received and redressed by the Bank during fiscal 2023 were tabled at the meetings of the Stakeholders Relationship Committee / Board for their review and noting.

Share transfer system

In terms of Regulation 40(2) of the SEBI Listing Regulations, Committee of Whole-Time Directors of the Bank *inter alia* reviews the matters relating to transfer, transmission and transposition of equity shares of the Bank and matters related thereto.

Issue and transfer of shares

Pursuant to the Regulation 40 of the SEBI Listing Regulations, as amended, the transfer, transmission and transposition of securities of listed companies held in physical form, shall be effected only in demat mode. Further, SEBI vide its circular dated 25 January, 2022, has clarified that listed companies shall henceforth issue the securities in demat form only, while processing the service requests like issue of duplicate share certificate, claim from unclaimed suspense account, renewal/ exchange of share certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/ folios,



transmission and transposition. It was further clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request. Accordingly, the members are advised to request for such services by submitting a duly filed and signed form ISR-4, the format of which is available on the Bank's website at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>.

Further, in continuation to circular dated 25 January, 2022, SEBI vide another circular dated 30 December, 2022 had stated that in cases where the securities holder / claimant fails to submit the demat request to the depository participant within the period of 120 days from the date of issuance of the letter of confirmation from RTA / listed companies, then the RTA shall move the said securities to a physical folio 'suspense escrow demat account' and later dematerialise these securities. Securities which have been moved to 'suspense escrow demat account' may be claimed by the security holder/claimant by submitting a duly filed and signed Form ISR- 4.

SEBI vide circular dated 27 January, 2023, with an intent to generate awareness among physical shareholders had advised the listed entities to issue them an intimation about the availability of dispute resolution mechanism at stock exchanges against listed companies and RTA(s) either by e-mails or by SMS. Accordingly, the Bank has on 15 February, 2023 sent emails and SMS(es) to shareholders holding equity shares in physical form and whose email ids and mobile numbers were available.

In view of the above and also to eliminate all risks associated with physical shares, members holding equity shares of the Bank in physical form are requested to kindly get their equity shares converted into demat form.

Shareholder handbook / shareholder services

Members are requested to refer to the investor's handbook available on the Bank's website: <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs> for rights of members and procedures related to transfer / dematerialization / transmission of shares, nomination in respect of shareholding, change of address, unclaimed / unpaid dividend, shares underlying unpaid / unclaimed dividend, refund from IEPF, registration of e-mail ID and registration of PAN / Bank details.

Nomination facility

Section 72 of the Act provides that every holder of securities of a company may at any time nominate in the prescribed manner any person to whom the securities shall vest in the event of his/her death. Where the securities of a Bank 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, the members are encouraged to avail the nomination facility. The relevant nomination form can be downloaded from the website of the Bank or the members may write to the Bank at its registered office or to KFIN for the same.

Please note that the nomination shall be automatically rescinded on transfer / transmission / dematerialization of the securities.

Green initiatives

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send copy of notice through electronic mode including e-mail to those members who have registered their e-mail address either with their depository participants (DP) or with the company.

Further, as per Regulation 36 of the SEBI Listing Regulations, the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

In case of members whose email address has changed and they have not updated the new e-mail address, the Bank would send the said documents to their existing e-mail address and the said documents shall be deemed to have been delivered in compliance with the provisions of the Act and the SEBI Listing Regulations. Therefore, members are requested to register their email address or any change thereof with their DP (shares held in electronic form) or with KFIN (shares held in physical form) at the earliest.

Further, in terms of SEBI circular dated 5 January, 2023, annual report for the fiscal 2023 and the notice convening the 29th AGM, are being sent only through electronic mode to those members, who have registered their e-mail addresses with the Bank/ their respective DP or with KFIN. Accordingly, no physical copy of the said documents is being sent to members who have not registered their e-mail addresses with the Bank / DP or KFIN.

However, in case any member wishes to receive a physical copy of the annual report are requested to write to inward.ris@kfintech.com or shareholders@axisbank.com quoting DP ID and client ID or folio number, as the case may be, to enable the Bank to provide physical copy of the said documents, free of cost. Please note that the said documents are also being uploaded on the Bank's website viz. www.axisbank.com.

Corporate Governance

Means of communication

Quarterly / annual results and investor presentations: The unaudited / audited financial results of the Bank are reviewed and approved by the Board. The same are disclosed to the stock exchanges in accordance with Regulation 30 of the SEBI Listing Regulations. The said financial results of the Bank are also published in Business Standard, Mint (all editions) and Sandesh or Divya Bhaskar (Ahmedabad edition), the day after the said financial results are disclosed to the stock exchanges. The results are also available on the website of the Bank <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results>.

Detailed presentations are made to institutional investors and financial analysts on the Bank's quarterly, half-yearly as well as annual financial results and are sent to the stock exchanges. These presentations, video recordings and transcript of the meetings are available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results>. No unpublished price sensitive information is discussed in the meetings with institutional investors and financial analysts.

Official press releases: Official press releases are also available on the website of the Bank at <https://www.axisbank.com/about-us/press-releases>.

Annual report: The annual report containing *inter alia* audited financial statement, audited consolidated financial statement, board's report, auditors' report and other important information is circulated to the members and others entitled thereto. The management discussion and analysis report forms part of the annual report. The annual report is also available on the website of the Bank.

Letters / e-mails / SMS to investors: The Bank addressed various investor-centric letters / e-mails / SMS to its members during the year. This includes reminders for claiming unclaimed / unpaid dividend from the Bank, updating e-mail ID, PAN and bank account details etc.

Designated exclusive e-mail ID: The Bank has designated the following e-mail ID exclusively for investor servicing: shareholders@axisbank.com.

Shareholders' feedback survey: During fiscal 2023, along with postal ballot conducted in December 2022, the Bank sought feedback from members seeking their views on various matters relating to investor services and annual report.

Annual General Meetings (AGMs)

The details of the previous three AGMs are as under:

AGM	Day and Date	Time	Location
26 th	Friday, 31 July, 2020	10.00 a.m.	Held through video conferencing facility.
27 th	Friday, 30 July, 2021	10.00 a.m.	Held through video conferencing facility.
28 th	Friday, 29 July, 2022	10.00 a.m.	Held through video conferencing facility.

Special resolutions passed at previous three AGMs

The details of the special resolution(s) passed at the previous three AGMs, are as under:

AGM	Date of AGM	Special resolution(s)
26 th	31 July, 2020	Resolution no. 3 - Re-appointment of Rakesh Makhija (DIN: 00117692) as an independent director of the Bank for his second term of three years with effect from 27 October, 2020 up to 26 October, 2023 (both days inclusive). Resolution no. 5 - Borrowing/raising of funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities 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. Resolution no. 6 - Raising of funds through issue of equity shares/ depository receipts and/or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares for an aggregate amount not exceeding ₹ 15,000 crores (Rupees Fifteen Thousand crores).
27 th	30 July, 2021	Resolution no. 13 - Borrowing/raising of funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities on a private placement basis and/or for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution. Resolution no. 14 - To create, issue, offer and allot additional equity stock options convertible into equity shares of the aggregate nominal face value not exceeding ₹10,00,00,000 (5,00,00,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent employees and Whole-Time Directors of the Bank (including to the permanent employees and Whole-Time Directors of the present and future subsidiary companies of the Bank as mentioned in resolution no. 15 below) under the employee stock option scheme(s) of the Bank.



AGM	Date of AGM	Special resolution(s)
		Resolution no. 15 - To create, issue, offer and allot additional equity stock options convertible into equity shares of the aggregate nominal face value not exceeding ₹10,00,00,000 (5,00,00,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent employees and Whole-Time Directors of the present and future subsidiary companies of the Bank (including to permanent employees and Whole-Time Directors of the Bank as mentioned in resolution no. 14 above) under the employee stock option scheme(s) of the Bank.
28 th	29 July, 2022	<p>Resolution no. 4 - Re-appointment of Girish Paranjpe (DIN: 02172725) as an independent director of the Bank for his second term of four years with effect from 2 November, 2022 up to 1 November, 2026 (both days inclusive).</p> <p>Resolution no. 5 - Appointment of Manoj Kohli (DIN: 00162071) as an independent director of the Bank for a period of four years with effect from 17 June, 2022 up to 16 June, 2026 (both days inclusive).</p> <p>Resolution no. 6 - Enhancement of borrowing limit of the Bank up to ₹ 2,50,000 crores under Section 180 (1)(c) of the Companies Act, 2013.</p> <p>Resolution no. 7 - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities on a private placement basis and/or for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution.</p>

Procedure for postal ballot

The postal ballot process is conducted in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules 2014 as amended.

MCA vide its various circulars, has permitted companies to conduct the postal ballot by sending the notice in electronic form only. Accordingly, physical copy of the notice along with postal ballot form and pre-paid business reply envelope are not being sent to the members for postal ballot. The Bank publishes a notice in the newspaper informing the details of completion of dispatch of the postal ballot notice and other details.

The Bank engages the services of KFIN/NSDL for providing e-voting facility to its members. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. The communication of the assent or dissent of the members takes place through the process of remote e-voting only in accordance with the SEBI circular on e-voting facility provided by listed entities dated 9 December, 2020.

The Board appoints a scrutinizer for conducting the postal ballot process in a fair and transparent manner. The scrutinizer is required to submit his report to the chairperson after verification of the records and thereafter the consolidated results of the voting can be declared by the chairperson or by any one of the directors of the Bank duly authorized by the Board in this regard.

Subsequently, the said results along with the report of the scrutinizer is disclosed to the stock exchanges within two working days of conclusion of remote e-voting in terms of Regulation 44(3) of the SEBI Listing Regulations, uploaded on the website of the Bank and displayed on the notice board at the registered office of the Bank.

The resolution if passed by requisite majority shall be deemed to have been passed on the last date specified by the Bank for remote e-voting. During fiscal 2023, the Bank had issued two postal ballot notices dated 8 December, 2022 and 27 March, 2023, the details of which are available on the website of the Bank <https://www.axisbank.com/shareholders-corner/shareholders-information/postal-ballot>.

Special resolutions passed through postal ballot during fiscal 2023

During fiscal 2023, approval of members of the Bank was sought for the following matters through postal ballot notice dated 8 December 2022. The Bank had appointed CS KVS Subramanyam, Practicing Company Secretary (Membership no. FCS 5400 and C.P. No. 4815) to act as the scrutiner for conducting the said postal ballot exercise in a fair and transparent manner.

The summary of the postal ballot results in respect of the said special resolutions declared on 16 January, 2023 are as under:

Item no. 1: Appointment of Parameswaranpillai Naga Prasad (P.N. Prasad) (DIN:07430506) as an Independent Director of the Bank.

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
2,488,119,169	22,417	99.99	0.01

Item no. 2: Increase in limit of maximum number of directors on the board of directors from 15 (fifteen) to 18 (eighteen).

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
2,463,287,967	25,252,105	98.99	1.01

Item no. 3: Approval of Axis Bank employees stock unit scheme 2022.

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
1,856,712,482	386,630,313	82.77	17.23

Corporate Governance

Item no. 4: Grant of units to the employees of the subsidiary and associate companies of the Bank under Axis Bank employees stock unit scheme 2022.

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
1,856,059,810	38,727,1877	82.74	17.26

Item no. 5: Modification to the existing Axis Bank employees stock option scheme 2000- 01

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
2,242,549,187	245,663,869	90.13	9.87

Item no. 6: Grant of options to the employees of the associate companies of the Bank under Axis Bank employees stock option scheme 2000-01.

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
2,240,297,829	247,903,781	90.04	9.96

Further, the Bank proposed the following two resolutions *vide* postal ballot notice dated 27 March, 2023. The result of the postal ballot will be declared by the chairperson of the Board or any one of the directors duly authorised by the Board, in this regard, within two working days of conclusion of remote e-voting process i.e. on or before 3 May, 2023:

Item no. 1: Appointment of Chamarty Seshabhadrasrinivasa Mallikarjunarao (CH SS Mallikarjunarao) (DIN: 07667641) as an Independent Director of the Bank.

Item no. 2: Alteration of articles of association - cancellation of nomination rights of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI).

Additional information on directors seeking appointment / re-appointment at the ensuing AGM

The details of directors seeking appointment / re-appointment at the ensuing AGM in terms of Regulation 36(3) of the SEBI Listing Regulations is provided in the notice of the ensuing 29th AGM of the Bank.

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 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 fiscal year is given below:
 - a) Total exposure of the Bank to commodities in INR: NIL as on 31 March, 2023.
 - b) Exposure of the Bank to various commodities: Not applicable.
 - c) Commodity risks faced by the Bank during the year and how it has 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.

Plant locations

As the Bank is a banking company registered under the Banking Regulation Act, 1949, the provisions relating to disclosure of details relating to plant location is not applicable to the Bank. The Bank operates through a network of branches spread across the length and breadth of the country. As on 31 March, 2023, the Bank had a network of 4,903 domestic branches and extension counters.

The list of branches is available on the website of the Bank at <https://branch.axisbank.com>.



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Annexure I

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity**

L65110GJ1993PLC020769

2. **Name of the Listed Entity**

Axis Bank Limited

3. **Year of incorporation**

1994

4. **Registered office address**

"TRISHUL", Third Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat

5. **Corporate address**

'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra

6. **E-mail**

sustainability@axisbank.com

7. **Telephone**

022-24252525 / 43252525

8. **Website**

www.axisbank.com

9. **Financial year for which reporting is being done**

Fiscal 2023

10. **Name of the Stock Exchange(s) where shares are listed**

National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

11. **Paid-up Capital**

₹ 615.37 Crores (as on 31 March, 2023)

12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**

Abhejit Agarwal, Head - Sustainability & CSR

e-mail ID: sustainability@axisbank.com

Telephone number: 022-6226 0040

13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**

All offices and branches of Axis Bank Limited across India (only for the entity).

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II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Banking and financial services	The Bank provides a range of commercial banking products and services, including loan products, fee and commission-based products and services, deposit products and foreign exchange and derivatives products to India's leading corporations, middle market companies and small and medium enterprises. The Bank's retail operations primarily consist of retail lending, payments, deposit taking and distribution of third party insurance and investment products. The Bank also offers agricultural and rural banking products.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Deposits	65191	72%
2.	Loans	65191	64%
3.	Investments	65191	22%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	N.A.	4903*	4903
International	N.A.	7	7

* Including extension counters

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	36 (including Union Territories).
International (No. of Countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable to Banking Companies.

c. A brief on types of customers

The Bank's integrated business lines cater to a diverse group of customers under its Retail Banking & Commercial and Wholesale Banking segments.

Retail Banking: The Bank offers omni-channel banking services to our urban, semi-urban and rural consumers with an expansive range of products and services in loans, payments, savings, insurance and investments.

Commercial and Wholesale Banking: The Bank provides service to leading corporates and MSMEs with a range of products and services including loans, deposits, trade finance, foreign exchange, and derivatives



IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total(A)	Male		Female		Others
			No.(B)	%(B/A)	No.(C)	%(C/A)	
Employees							
1.	Permanent (D)	91,898	68,308	74.33 %	23,587	25.66 %	3
2.	*Other than Permanent (E)	9,132	7,931	86.85 %	1,201	13.15 %	0
3.	Total employees (D + E)	101,030	76,239		24,788		
Workers							
4.	Permanent (F)						
5.	Other than Permanent (G)			N.A.			
6.	Total workers (F + G)						

*'Other than Permanent' employees represents contractual employees which are on the payrolls of the Bank's vendors

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	48	42	87.5%	6	12.5%
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D + E)	48	42	87.5%	6	12.5%
Differently Abled Workers						
4.	Permanent (F)					
5.	Other than permanent (G)			N.A.		
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	13	2	15 %
Key Management Personnel	4	0	0 %

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	34.4%	35.9%	34.8%	31.1%	33.2%	31.6%	18.8%	20.2%	19.1%
Permanent Workers									

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V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Axis Capital Limited	Subsidiary	100%	Yes
2.	Axis Mutual Fund Trustee Limited	Subsidiary	75%	Yes
3.	Axis Trustee Services Limited	Subsidiary	100%	Yes
4.	Axis Asset Management Company Limited	Subsidiary	75%	Yes
5.	Axis Bank UK Limited	Subsidiary	100%	N.A.
6.	Axis Finance Limited	Subsidiary	100%	Yes
7.	Axis Securities Limited	Subsidiary	100%	Yes
8.	A.Treds Limited	Subsidiary	67%	Yes
9.	Freecharge Payment Technologies Private Limited	Subsidiary	100%	Yes
10.	Axis Capital USA LLC	Step-down Subsidiary	100% (held by Axis Capital Ltd.)	N.A.
11.	Axis Pension Fund Management Limited	Step-down Subsidiary	9.02% (directly by Axis Bank Ltd.) 51% (held by Axis AMC Ltd.)	N.A.
12.	Max Life Insurance Company Limited	Associate Company	9.99%	N.A.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(i) Turnover (in ₹)

₹ 1,01,664.64 crores (as on 31 March, 2023)

(ii) Net worth (in ₹)

₹ 1,17,893.38 crores (as on 31 March, 2023)



VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If Yes, then provide web-link for Grievance Redressal Policy)	FY 2023			FY 2022		
		Number of Complaints filed during the year	Number of Complaints pending resolution at the close of the year	Remarks	Number of Complaints filed during the year	Number of Complaints pending resolution at the close of the year	Remarks
Communities	The Bank and its implementation partners engage with the community periodically. Any complaints/grievances raised by the community are resolved on site on a periodic basis.						
Investors (other than shareholders)	-	-	-		-	-	
Shareholders	Yes	13	0		21	0	
Employees and workers	Yes	POSH - 34	POSH - 5		POSH - 45	POSH - 5	
		WB - 395	WB- 61		WB - 319	WB- 13	
Customers	Yes	943,882	16,827		935,005	45,004	
Value Chain Partners							
Others							

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Please refer to the section "Stakeholder Engagement & Materiality Assessment" page 36-39 for Sustainability Report Fiscal 2022					

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes#	Yes#	Yes#	Yes#	Yes#	Yes#	No^	Yes#	Yes#
b. Has the policy been approved by the Board? (Yes/No)	Y**	Y**	Y**	Y**	Y**	Y**	-	Y**	Y**
c. Web Link of the Policies, if available	Yes^	Yes^	Yes^	Yes^	Yes^	Yes^	-	Yes^	Yes^
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y*	Y*	Y*	Y*	Y*	Y*	-	Y*	Y*
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>)									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of the Bank and its respective Committees								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details.	Yes. Axis Bank has formed an ESG Committee of the Board which is responsible for decision making on sustainability & ESG related issues.								



10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes. The Bank has Board level committees that meet every quarter and the policies are reviewed as necessary, except for Principle 7																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	No. The various Head of Departments are responsible for effective implementation of the pertinent policies. The Bank's Internal Audit Department, among its mandates, assesses each department's adherence to their respective policies. In addition, the Bank's Compliance Department monitors the adherence to implementation of policies mandated by RBI.								

* The policies are developed and aligned to applicable compliance requirements, RBI norms and guidelines, requirements of listing agreement with stock exchanges, or the Bank's internal requirements and best practices.

**The policies are approved by the Board of Directors or Committee of the Board of Directors or senior management of the Bank

^ The Bank along with its subsidiaries works closely with collective trade and industry associations, while there is no specific policy outlined for this principle

The following policies are available on the Bank's website www.axisbank.com

1. Code of Bank's Commitment to Customers
2. Code of Bank's Commitment to Medium and Small Enterprises (MSE)
3. Customer Compensation Policy of the Bank
4. Bank's Fair Practice Code
5. Grievance Redressal Policy
6. Code of Conduct and Conflict of Interest Norms in respect of Board of Directors
7. Code of Conduct & Ethics
8. Corporate Social Responsibility Policy
9. Policy on Environment Management
10. Sustainable Lending Policy & Procedures
11. Equal Employment Opportunity Policy
12. Citizen's Charter - A Charter for Customer Service
13. Customer Rights Policy
14. Code of Conduct for Direct Selling Agents
15. Policy on Related Party Transactions
16. Comprehensive Deposit Policy
17. Policy on Collection of Dues and Repossession of Securities
18. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
19. Policy for Determining Material Subsidiaries
20. Policy for Determining Material Event or Information

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21. Policy for lending to Micro Small & Medium Enterprises (MSMEs)
22. Privacy Policy
23. Remuneration Policy for Non-Executive Chairman and Non-Executive Directors
24. Remuneration Policy for MD& CEO, Whole Time Directors, Material Risk Takers, Control Function Staff and Other Employees
25. Archival Policy
26. Dividend Distribution Policy
27. Diversity, Equity & Inclusion Policy
28. Tax Policy

The remaining policies being internal documents are available to the employees through the Bank's intranet.

Principle-wise policies

P1	Compliance Policy, Whistleblower Policy, Anti Money Laundering Policy, Policy on prevention and reporting of frauds, Policy on recognition/rewards for detection of fraud, Code of Bank's Commitment to Customers, Code of Bank's Commitment to Micro and Small Enterprise, Code of Conduct and Ethics, Code of Conduct and Conflict of Interest Norms in respect of Board of Directors, Code of Conduct for Direct Selling Agents, Policy on Related Party Transactions, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), Policy for Determining Material Subsidiaries, Policy for Determining Material Event or Information, Archival Policy, Dividend Distribution Policy, Tax Policy
P2	Code of Bank's Commitment to Micro and Small Enterprise, Sustainable Lending Policy and Procedures, Credit Policy (SME Priority Sector exposures: Concessionary pricing), Policy for lending to Micro Small & Medium Enterprises (MSMEs)
P3	Staff Housing Loan Policy, Staff Rules and Guidelines (covering leave policy, insurance benefits, superannuation scheme etc.), Policy on Prevention of Sexual Harassment, Policy on Safety for Women at Workplace, Policy on Human Rights, Equal Employment Opportunity Policy, Remuneration Policy for Non-Executive Chairman and Non-Executive Directors, Remuneration Policy for MD & CEO, Whole Time Directors, Material Risk Takers, Control Function Staff and Other Employees, Diversity, Equity & Inclusion Policy
P4	Code of Bank's Commitment to Micro and Small Enterprise, Policy on Corporate Social Responsibility Policy, Credit Policy (SME Priority Sector exposures: Concessionary Pricing), Policy for lending to Micro Small & Medium Enterprises (MSMEs)
P5	Policy on Human Rights, Code of Conduct and Ethics
P6	Policy on Environment Management
P8	Financial Inclusion practices, Policy on Corporate Social Responsibility
P9	Code of Bank's Commitment to Customers, Code of right sell for liability & investment products, Policy on outsourcing of financial services, Consumer Lending Credit Policy, Information Systems Security Policies, Citizen's Charter – A Charter for Customer Service, Customer Rights Policy, Comprehensive Deposit Policy, Policy on Collection of Dues and Repossession of Securities, Privacy Policy

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)							#		

The Bank along with its subsidiaries works closely with collective trade and industry associations, while there is no specific policy outlined for this principle.



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	<ul style="list-style-type: none"> • Induction Programme for new Directors • Familiarisation Programme for Independent Directors • Continuous Education and Learning Program (CELP) 	The details are provided in the Corporate Governance section of the Annual Report of the Bank for fiscal 2023.	
Key Managerial Personnel	30 Person-hours training provided to KMPs.		
Employees other than BoD and KMPs	<p>For fiscal year 2023, average person-hours of training was 84.4 for males, 94.8 for females, and 87 person-hours for all employees overall. Out of all training given to employees, 78% of trainings were conducted online in the form of e-learning modules and remaining 22% were classroom-based training.</p> <p>The Bank's signature DE&I awareness training program “Pause for Bias” helps employees rise beyond their inherent unconscious Biases. The pause for bias training is a part of the induction program, and so far, the team has conducted 313 ‘Pause for Bias’ sessions and have covered 39757 employees across the Bank.</p>	Principle 1,3,4,5,8,9	100% employees covered under mandatory trainings on LMS on POSH, Code of Conduct, Information Security and Business Continuity
Workers	N.A.		

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2. **Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format** (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Monetary	
			Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine (1)	Reserve Bank of India (RBI)	₹ 93,00,000/-	The Reserve Bank of India (RBI) has imposed, by an order dated 07.04.2022, a monetary penalty of ₹93 Lakh on the Bank for non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions', 'Reserve Bank of India (Financial Services provided by Banks) Directions, 2016', 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', and 'Levy of penal charges on non-maintenance of minimum balances in savings bank accounts'. Bank has paid the penalty to RBI.	No
Penalty/ Fine (2)	IRDAI	₹ 2,00,00,000/-	Axis Bank (a Corporate Agent for distribution of Mutual Funds) has received a letter from IRDAI (the Authority) dated Oct 13, 2022 levying a penalty of ₹ 2 crs on the charges for not complying with the directions of the Authority in the transaction of acquisition of shares of Max Life Insurance Company Ltd (MLIC) and for making undue profits/ gains from purchase and sale of equity shares of MLIC. The Authority, in the appended letter has sighted series of transactions from February 2016 to April 2021 between Axis Bank and promoters of MLIC. As per the authority, these transactions are at a price which is lower than the fair market value (FMV). Axis Bank has made a representation that each of these transactions have been at FMV either backed by a Chartered Accountants certificate or is based on valuation as envisaged under Rule 11 UA of the Income Tax Rules, 1962. The authority has not accepted the representation and accordingly charged the Bank with a penalty. The Bank further has right to appeal to Securities Appellate Tribunal. Bank has paid the penalty to IRDAI.	No
Compounding Fee	Nil			
Imprisonment	Nil			
Punishment	Nil			

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Bank has in place, an Anti-Bribery and Anti-Corruption Policy that reiterates the Bank's zero tolerance to bribery and corruption at the Bank. As a governance best practice, the Bank's Anti-Bribery and Anti-Corruption Policy has been made accessible on its website at <https://www.axisbank.com/docs/default-source/quarterly-reports/anti-bribery-and-anti-corruption-policy.pdf>



5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

None

6. Details of complaints with regard to conflict of interest:

None

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

None

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness Programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners under the awareness programmes)
Nil	N.A.	N.A.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No). If Yes, provide details of the same.

The Board has formulated and adopted the code of conduct and conflict of interest norms for the Board of directors, and the code of conduct and ethics of the Bank (The code of ethics), in terms of Regulation 17(5) of the SEBI Listing Regulations relating to corporate governance.

The code of conduct and conflict of interest norms for the Board of directors provides for do's and don'ts to be followed by the directors of the Bank and also contains norms with respect to conflict of interest, skill development, health, confidentiality, insider trading and sexual harassment etc. During fiscal 2023, the amendments to the said code were reviewed and approved by the Board.

The code of ethics is a statement of the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing their roles and responsibilities across various functions in the Bank.

The code of ethics is intended to be the charter for day-to-day work, to enable employees to make the right decisions and, therefore, serves to (1) underline the fundamental commitment to compliance with regulatory guidelines and laws of the land, (2) set forth basic parameters of ethical and acceptable social behaviour, and (3) establish a system for detection and reporting of known or suspected ethical or violations of regulations.

During the fiscal 2023, the Bank has not entered into any materially significant transactions with its directors or relatives of the directors, 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.

All the members of the Board of Directors of the Bank have affirmed compliance with the said codes as applicable to them for fiscal 2023.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Given the nature of operations as a financial service provider, this question is not applicable.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b. If yes, what percentage of inputs were sourced sustainably?

As an institution providing financial services, the Bank's operations are not material resource intensive. Thus, sustainable sourcing of raw materials may not be a significant material issue for the banking sector in general. However, as a responsible corporate citizen, the Bank has been focusing on maximising its resource consumption efficiency, reducing waste generation while focusing on improving its process efficiency and productivity. Even as digitization of products and services has been reducing the requirement of paper, it remains a significant resource consumed during the Bank's normal course of business, and it has focused on reducing its paper consumption further by scaling up recycling, procuring paper from more sustainable sources, and rationalizing printing requirements

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internally within the business. For procurement of equipment that are required to run our banking operations, such as computer hardware, lighting devices, air conditioners and DG sets, the Bank considers green procurement and ensures that energy efficiency standards are duly considered during the purchase of such equipment. The Bank also has a Supplier Code of Conduct outlining its expectations from vendors to adopt the sustainable practices.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Bank has a centralised and robust waste management system that helps segregate, collect, transport and recycle all the different categories of waste generated at its corporate headquarters, at Axis House, Mumbai. The Bank has undertaken several initiatives that helped reduction in waste generation, responsible waste disposal & recycling and reduce the load on landfills. In fiscal 2023, the Bank recycled 122.04 tonnes of dry waste such as newspapers, shredded documents, dry paper cups and tissues.

The Bank has deployed necessary systems and processes to effectively and sustainably manage paper waste and e-waste. In addition, the Bank's digitization efforts across its office and branch locations are also helping rationalise its paper requirements. The e-waste generated by the Bank primarily consists of computers, monitors, modems, switches, laptops, scanners, routers, printers, and UPS systems. In addition to this, the Bank have engaged authorised vendors empanelled with SPCB (State Pollution Control Board) and CPCB (Central Pollution Control Board) for disposal of e-waste in compliance with pertinent government regulations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable.

Considering the nature of banking products which is service-oriented and not material resource intensive, EPR is not applicable and is not a significant material issue for the banking sector in general.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Not applicable.

LCA of products is not applicable for the Bank's products and services.

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communication in public domain (Yes/No) If yes, provide the web-link.
N.A.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
	*	

* About 122.04 MT of dry waste such as newspapers, shredded documents, dry paper cups, cardboard boxes and tissues collected at all large offices in across India, were sent for recycling in fiscal 2023.



4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not Applicable

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	68,308	68,308	100%	The Bank does not provide Accidental Insurance		0	0%	68,308	100%		
Female	23,587	23,587	100%			23,587	100%	0	0%		
Others	3	3	100%			3	100%	3	100%		
Total											
Other than Permanent employees – N.A.											

b. **Details of measures for the well-being of workers:**

Not Applicable

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.9988%	N.A.	N.A.*	99.9977%	N.A.	N.A.
Gratuity	100%	N.A.	N.A.	100%	N.A.	N.A.
ESI				N.A.		
Others (please specify)				N.A.		

*Axis Bank has an exempted PF Trust and hence the PF deposits are not made to any authority but directly to the Axis Bank PF Trust

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Bank remains committed to being an organisation with strong respect for human rights, inclusive environment & safe work conditions and ethically sound business practices for employees. The Bank has employed many person with disabilities under its ACCESS program. The Bank strives to create an inclusive and safe work environment for its employees, it has initiated the creation of signages for inclusive restrooms in our large offices, which are accessible to persons with physical disabilities. The signage has a braille script for easy navigation for persons with visual impairment. Wheelchair Access Paths to the PwD customers at the branch offices.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Bank has a standalone Equal Employment Opportunity Policy that guides and reinforces the Bank's focus on merit as the role criterion for employment and advancement. The Policy can be accessed at-

https://www.axisbank.com/docs/default-source/default-document-library/Equal_opportunity_policy.pdf

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5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work Rate	Retention rate	Return to work Rate	Retention rate
Male	100.00%	54.45%		
Female	99.03%	65.26%	N.A.	
Total	99.69%	57.21%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	N.A.
Other than Permanent Workers	
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

The Bank does not have any employee trade union and not in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'.

8. Details of training given to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male		68,308	100%			64,655	100%			
Female		23,587	100%			21,158	100%			
Others		3	100%			2	100%			
Total										
Workers										
Male										N.A.
Female										
Total										

For fiscal year 2023, average person hours of training was 84.4 for males, 94.8 for females, and 87 person-hours for all employees overall. Out of all training given to employees, 78% of trainings were conducted online in the form of e-learning modules and remaining 22% were classroom-based training



9. Details of performance and career development reviews of employees and worker:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	68,308	42,328	62%	64,655	41,402	64%
Female & Others	23,590	14,602	62%	21,160	12,896	61%
Total	91,898	56,930	62%	85,815	54,298	63.3%
Workers						
Male						
Female & Others			N.A.			
Total						

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. While the Bank is currently developing an exclusive OHS policy and framework, the bank has taken following measures for Safety Management Action through Physical Security

- Hands-on training on evacuation during emergency is conducted every year
- Briefing on Fire safety is provided at the premises
- Demonstration and Hands-on training of use of Fire extinguisher is imparted
- Inspection of Fire Extinguishers is undertaken regularly
- Refilling of Fire Extinguishers is conducted at regular intervals
- Monthly Inspection of Detectors/ sensors is carried out

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Following routine and non-routine actions are undertaken through e-surveillance

- Responding to Alerts received from branches
- Monitor Branches randomly for presence of fire hazards or other hazards
- Assist Branches for monthly inspection of detectors
- Support Branches during emergency

Further, the bank conducts regular fire drills during which the employees are briefed on identifying and eliminating hazards. Security Guards deployed at Bank premise are trained on fire safety equipment. Advisories are issued on various safety related aspects such as weather warnings or fire safety and security.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

In order to report work-related hazards, the staff can raise a request through Bank's internal portal for employees. The employees are also briefed during fire drill on how to identify hazards and to eliminate them. In case of emergency, they are educated on contacting the Central Command Centre which is available 24*7.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The Bank has in place, a Group Term Life Insurance and a Medclaim policy to address the non-occupational medical and healthcare needs of its employees. Employees are educated about these policies during the induction and these policies are made available on the Bank's internal portal for ready reference.

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11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		N.A.
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Bank continues to focus on strengthening its policies, systems and processes to ensure the safety of its employees and physical assets in the face of unforeseen negative events. The Bank has in place, a Business Continuity Plan (BCP), and it is mandatory for all employees to undertake an e-learning module of the BCP.

Measures undertaken by the Bank for ensuring a safe and healthy workplace

- Fire Training is conducted every year
- Evacuation drill is conducted every year
- Fire safety advisories are released
- Fire safety signage is provided at different points
- E-surveillance and alert monitoring is performed

In terms of Health & Wellness of the employees, we have made all services available under one platform i.e. on Visit App. Below listed are few:-

- Doctor Consultation (On call/Video)
- Enrolment of dependents under Mediclaim
- Lab tests with sample collection on doorstep with reports in 48 hrs
- Annual Health Check-up for AVP & above (40 yrs+)
- Doorstep pharmacy delivery at discounted prices
- Claims submission , status check and settlement on App
- Fitness Workout videos
- Mindfulness podcasts
- Health Risk Assessment

13. Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions			N.A.			
Health & Safety			N.A.			



14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

While the Bank takes various measures to ensure safety in its premises, there have been no assessments conducted for identification of significant risks/concerns by third party or statutory entities.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

- Employees (Y/N) – Yes. **Employee Care Benevolent Fund Scheme** will cover the employee and support needy families with an ex-gratia amount towards survival of their dependents. This scheme will extend cash benefits to the dependents of the member / employee in the event of the demise of such a member and Death – in service benefit)
- Workers (Y/N) - Not applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank works towards greater integration of environmental & social considerations in its procurement practices. The Bank also sets clear expectations with vendors and suppliers through its Supplier code of conduct to abide by labour laws, human rights and regulations in their regions of business.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners: % of value chain partners (by value of business done with such partners) that were assessed Health and safety practices:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Currently, the Bank does not undertake any assessments of health and safety practices and working conditions of value chain partners. However, it is working on integrating ESG parameters into Vendor Management and may look at addressing these aspects in the future.

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PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Axis Bank is cognizant that its activities directly or indirectly impact a myriad of stakeholders, ranging from customers, regulators, peers, business partners, to communities. It believes that communicating with its stakeholders transparently and engaging with them meaningfully is key to fostering and maintaining strong and long term relationships with our stakeholder spectrum. Our engagements with diverse range of stakeholders help us better understand the social, environmental and economic impacts, including indirect impacts, of our activities, and their feedback, guidance and critiques enables us to perform as a responsible corporate citizen. The Bank conducts proactive and focused engagements with diverse sets of stakeholders to help identify material issues, evaluate business strategy and operations, products, services and solutions, minimise reputational risk and positively influence our internal and external environment.

The key internal stakeholders of the Bank include the senior management and employees, while its external stakeholders comprise of shareholders & investors, customers, regulatory authorities, community & NGOs, industry & peers, vendors & service providers, media and academia. The Bank continues to actively engage with its various stakeholders throughout the year, through various modes of engagement.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency engagement (Annually/ yearly/ Quarterly/ others - please specify)	Purpose and scope engagement including key and concerns raised during such engagement
Shareholders & Investors	No	<ul style="list-style-type: none"> Investor Meets Top Management roadshows Investor grievance channels - Whistleblower mechanism, emails Face-to-face meetings Annual General Meeting Annual Report and Sustainability Report ESG assessments by investor-focused agencies Investor Relations portal on website 	Need-based Periodically Annual Ongoing	The Bank conducts a proactive and focused engagements with diverse sets of stakeholders which helps identify significant material issues for the Bank, evaluate business strategy and operations, products, services and solutions, minimises reputational risk and positively influence our internal and external environment
Customers	No	<ul style="list-style-type: none"> Formal and informal means at branches, offices and on ground Social media communications Print and television marketing campaigns Customer Care channels - App, telephone, email, website Customer Satisfaction surveys Financial Literacy programs Brochures and word of mouth 	Ongoing Eventual Periodic	
Senior Management	No	<ul style="list-style-type: none"> Board meetings Management Committee meetings Axis Blitz program 	Ongoing	
Employees	No	<ul style="list-style-type: none"> Town Halls Training and capacity development programmes Whistle-blower mechanism Annual performance appraisals Intranet portal - MyConnect Internal communications - webcasts, newsletters, surveys, mails Axis Cares - Employee payroll giving Senior management visits to locations 	On-going Eventual	
Regulatory Authorities	No	<ul style="list-style-type: none"> One-to-one as well as group meetings Telephone, email and mail correspondence Periodical submission of business & operational performance Mandatory regulatory filings including to RBI and SEBI Engagement at banking platforms and meetings 	Periodic Need-based	



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency engagement (Annually/ yearly/ Quarterly/ others – please specify)	Purpose and scope engagement including key and concerns raised during such engagement
Community & NGOs	Yes	<ul style="list-style-type: none"> • Direct CSR initiatives at multiple locations • Axis Cares - Employee payroll giving • CSR interventions by Axis Bank Foundation and its implementation partners • Whistle blower Mechanism 	Periodic Need-based Ongoing	
Industry & Peers	No	<ul style="list-style-type: none"> • Industry and trade associations • Participation in multilateral platforms • Direct, one-on-one engagements 	Eventual Need-based	
Vendors and service providers	No	<ul style="list-style-type: none"> • One-on-one vendor meets • Techno-commercial discussions and service engagements • Governance-related meetings • Supplier Assessments • Email, telephone and mail communications • Whistleblower Mechanism 	Ongoing Periodic Need-based	
Media	No	<ul style="list-style-type: none"> • Press Releases • Interviews in print and television • Emails and telephonic communications • PR agency partnerships • Media Days 	Eventual Ongoing	
Academia	No	<ul style="list-style-type: none"> • Campus Placements • Campus engagements • Common industry forums 	Ongoing	

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Bank engages with a wide range of stakeholders who help identify material issues, evaluate business strategy and operations, products, services and solutions, minimise reputational risk and positively influence our internal and external environment. The engagements include stakeholder engagement and materiality exercise, Customer satisfaction surveys, town halls, training programs, social media platforms etc. The inputs received from diverse range of stakeholders are communicated to the Board and senior management to seek their guidance and action.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The outputs of SE&MA exercise are used to identify the most relevant material issues pertaining to environment and social issues to the Bank and the Bank has further reported the targets, progress of the projects and activities pertaining to each material issue in its annual Sustainability Report.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Our 'OPEN' philosophy continues to shape our strategy and actions towards creating long-term impact on the community. Our CSR interventions consciously strive to positively impact the lives of the most marginalised communities, such as those in India's Aspirational Districts or in the country's remote regions. The Financial Inclusion Program is our flagship intervention to promote the financial integration of, and opportunities for, economically weaker sections in rural and urban India. The program focuses on creating greater awareness on personal financial management, and introducing segments of the population to relevant government schemes and formal banking channels. Through, Axis Dil Se, the Bank's flagship Education and Skill Development Program, provides children from remote regions in India access to quality education and learning opportunities. The Bank also provides scholarships to students from economically disadvantaged backgrounds, enabling them to pursue higher studies.

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PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023			FY 2022		
	Total (A)	No. of employees / workers covered (B)	% (B/ A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent		100%			100%	
Other than permanent			N.A.			
Total Employees		100%			100%	
Workers						
Permanent			N.A.			
Other than permanent						
Total Workers						

- Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023					FY 2022				
	Total (A)	Equal Minimum to Wage		More than Minimum Wage		Total (D)	Equal Minimum to Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent		As an institution in the Banking sector, the Bank is compliant with the Labour laws of India, that stipulate minimum wages for employees falling under different categories.								
Male		The Bank's remuneration of employees is in alignment with 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.								
Female		The remuneration paid to all the employees / MD & CEO / Whole-Time Directors of the Bank, for the fiscal 2023, is in accordance with the Remuneration Policy for MD & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank.								
Other Permanent than			100%	Nil	Nil	Nil	100%	Nil	Nil	
Male			100%	Nil	Nil	Nil	100%	Nil	Nil	
Female			100%	Nil	Nil	Nil	100%	Nil	Nil	
Workers										
Permanent										
Male										
Female										
Other Permanent than										N.A.
Male										
Female										



3. Details of remuneration/salary/wages, in the following format:

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 has formulated and adopted a Remuneration Policy for Non-Executive Chairman and Non-Executive Directors of the Bank which provides guidelines for payment of remuneration to the Non-Executive Chairman and Non-Executive Directors of the Bank. During fiscal 2022, the said policy was amended in line with RBI circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated 26 April, 2021. The Bank has also formulated a Remuneration Policy for MD & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank, in terms of the provisions of the Companies Act, 2013, SEBI Listing Regulations and Guidelines on Compensation of Whole-Time Directors / Chief Executive Officers / Material Risk Takers and Control Function staff, issued by the RBI on 4 November, 2019. This Remuneration Policy *inter alia* contains guidelines relating to compensation structure consisting of fixed pay, variable pay, employee stock options, compensation revision cycle and framework regarding malus / clawback. During fiscal 2022, the aspects relating to malus / clawback as contained in the said policy were amended. The above policies are available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf>.

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Please refer to 'Disclosure on Remuneration' of the Annual Report 2022-23. The ratio of the remuneration of each Director of the Bank to the median remuneration of the employees of the Bank for the fiscal 2023 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, in the fiscal 2023 provided.			
Key Managerial Personnel				
Employees other than BoD and KMP				
Workers	N.A.			

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. Guided by the Bank's Human Rights Policy and other pertinent policies that address various aspects of human rights, the Bank has in place the necessary management oversight to address such aspects in its operations. These include the ESG Committee of the Board and the Diversity, Equity and Inclusion Council at the Management level.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We remain committed to respecting and imbibing internationally recognized human rights principles and standards and putting in place the systems and processes to ensure no human rights violations occur across the range of our operations. The Bank has a Human Rights Policy and it is accessible at www.axisbank.com/docs/default-source/default-document-library/human-rights-policy.pdf

The Policy guides the Bank's action on creating a Safe & healthy workplace, that encourages diversity, equal opportunity, and fair practices in employee life cycle including compensation & benefits, redressal mechanism, that are relevant to our organization and applicable to all our employees, business partners and other relevant parties. The Policy supplements the Bank's Code of Conduct and Ethics that lays down standards for acceptable employee behavior on various professional and ethical aspects. The Bank has formulated a Whistle blower policy to maintain highest standards of ethics, integrity, accountability and transparency and to provide safeguards to various stakeholders including shareholders, depositors and employees. This Policy provides employees the opportunity to address serious concerns arising from Irregularities, malpractices and other misdemeanours committed by the Bank's personnel by approaching the Whistleblower Committee of the Bank. The Mechanism allows our internal and external stakeholders to report any issue or occurrence committed confidentially and without fear of retribution.

The Bank has in place an employee portal, H-Response, for employees to communicate their grievances or concerns to the Management in a confidential and secure manner.

The Bank also has an Internal Complaints Committee on the Prevention of Sexual Harassment (POSH) continues to deliver on its mandate of making the Bank a safe and secure environment for its female employees, working on various aspects related to awareness, training and redressal.

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6. Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	34	5		45	5	
Discrimination at workplace			NIL			
Child Labour						
Forced Labour/ Involuntary Labour						
Wages			N.A.			
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Bank has a Prevention of Sexual Harassment (POSH) policy and all employees undergo a mandatory annual training for the same. The POSH module and the policy enable all those working, associated and visiting the Bank to raise their concerns and make complaints without fear. The employees are also informed that during the period of investigation, the aggrieved person may request the CIC for temporary separation from the accused. The Bank would ensure that the complainant, witnesses or the person(s) against whom the complaint is made are not victimized or discriminated against while dealing with the complaints of sexual harassment.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The Bank's evaluation criteria for vendors includes social and environmental considerations, focusing on compliance to standardised norms and regulations for environment, health & safety, human rights, labour, among others. The Bank has mandated a supplier sign-off on a Supplier Code of Conduct.

Also, the Bank has in place an ESG policy for lending, as a part of which it performs Environmental and Social Due Diligence of the projects it invests in. The provisions of the policy can be accessed [here](#)

9. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced / involuntary labour	
Sexual harassment	
Discrimination at workplace	Nil
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable. However, the Bank takes several steps to prevent cases of Sexual Harassment. Please refer to Directors' Report of the Annual Report 2022-23.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Nil

2. Details of the scope and coverage of any Human rights due-diligence conducted

The Bank has in place an [ESG Policy for lending](#), that integrates Environmental and Social Risk consideration in the Bank's credit appraisal mechanism outlines the scope of the policy and the applicability of due diligence on page 1 to 4



3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Bank remains committed to being an organisation with strong respect for human rights, inclusive environment & safe work conditions and ethically sound business practices for employees. The Bank has employed many person with disabilities under its ACCESS program. The Bank strives to create an inclusive and safe work environment for its employees, it has initiated the creation of signages for inclusive restrooms in our large offices, which are accessible to persons with physical disabilities. The signage has a braille script for easy navigation for persons with visual impairment.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	
Forced/involuntary labour	
Sexual harassment	Nil
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023	*FY 2022
Total electricity consumption (A)	894.19	745.30
Total fuel consumption (B)	99.74	157.16
Energy consumption through other sources (C)	11.49	13.97
Total energy consumption (A+B+C)	1005.42	916.43
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	988.96 (J/Rupee)	1109.51 (J/Rupee)
Energy intensity (optional) – the relevant metric may be selected by the entity	10.96 (GJ/FTE)	10.68 (GJ/FTE)

*The figures are updated after the assurance of the Sustainability Report fiscal 2022.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Bank undergoes external assurance of environmental performance. While the report for fiscal 2023 is under preparation, the assurance statement for fiscal 2023 will be published with the sustainability report.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

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3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water Withdrawal by source (in KL)		
(i) Surface Water		
(ii) Ground Water		
(iii) Third Party Water		
(iv) Seawater / Distilled Water		
(v) Others		Not Applicable
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify Unit	FY 2022-23	FY 2021-22
NOx			
SOx			
Particulate Matter (PM)			
Persistent Organic Pollutants (POP)			
Volatile Organic Compounds (VOC)			
Hazardous air pollutants (HAP)			
Others (please specify)			

As a provider of financial services, Air emissions other than GHG emissions are not material to the Bank

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023	*FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	7436.11 (tCO ₂ e) Break-up of above GHG figure into CO ₂ - 7,390.65 (Tons) CH ₄ - 29.12 (tCO ₂ e) N ₂ O - 16.34(tCO ₂ e) Refrigerants - 2003.44 (tCO ₂ e)	11717.34 (tCO ₂ e) Break-up of above GHG figure into CO ₂ - 11645.70 (Tons) CH ₄ - 45.89 (tCO ₂ e) N ₂ O - 25.74(tCO ₂ e) Refrigerants - 2131.97 (tCO ₂ e)
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric of CO ₂ equivalent	2,01,192.57	1,63,552
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.21 g CO ₂ e/ Rupee	0.22 g CO ₂ e/ Rupee
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		2.30 (per FTE)	2.07 (per FTE)

*The figures are updated after the assurance of the Sustainability Report FY 2022.



7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

We are committed to investing in digital solutions and multi-pronged energy-conserving initiatives to further our commitment to achieving greater environmental efficiency in our operations. Key initiatives include:

- Implementation of Solar energy projects across select Axis Bank branches and offices, aggregating ~ 2 MW which helped save ~2590 tCO₂e of carbon emissions in fiscal 2023.
- Axis Bank has started procuring solar power of ~1 MW (3.50 Lakhs units p.a.) under Power Purchase Agreement (PPA) Model from fiscal 2020 for Bank's Data Centre in Bengaluru. The Bank has consumed 35.40 lac units of electricity for its Data Centre, alone in fiscal 2023, which helped save ~2870 tCO₂e of carbon emissions.
- In fiscal 2023, the implementation of CEMS in 600 branches helped save 40.02 lac units of electricity, which resulted in saving ~3250 tCO₂e of carbon emissions.
- Existing conventional light fittings replaced with LED bulbs in ~908 branches PAN India which saved around 31.91 lacs units of electricity and saved around 2520 tCO₂e of carbon emissions.
- Maintenance of unity power factor through APFC panels in auto mode for optimum use of power at Axis House Mumbai and Axis House Noida.
- Installation of motion sensors for workstations and common area lighting at Axis House, Mumbai and Regional Office Bengaluru. The Bank shall introduce sensors in additional locations.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1.92 MT/ Year	3.53 MT/ Year
E-waste (B)	38.45 MT/ Year	83.12 MT/year
Bio-medical waste (C)	N.A.	N.A.
Construction and waste (D)	N.A.	N.A.
Battery waste (E)	No data available	No data available
Radioactive waste (F)	N.A.	N.A.
Other Hazardous Waste. Please specify, if any (G)	N.A.	N.A.
Other Non-Hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Paper Waste - 122.04 MT/ Year	N.A.
Total (A+B + C + D + E + F + G + H)	162.41 MT/year	86.65 MT/year

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	100%	100%
(ii) Re-used	N.A.	N.A.
(iii) Other recovery options		
Total		

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	N.A.	N.A.
(ii) Landfilling	N.A.	N.A.
(iii) Other disposal operations	N.A.	N.A.
Total	N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

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The Bank undergoes external assurance of environmental performance. While the report for fiscal 2023 is under preparation, the assurance statement for fiscal 2023 will be published with the sustainability report.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Given the nature of the Bank's business activities, which is providing banking products and services to serve its customers and stakeholders, it largely consumes resources for running its banking operations. This includes purchased electricity and the use of diesel gen sets at its branches, and use of paper in its banking forms, statements, and other such documents that the Bank uses to conduct its banking activities. The Bank has in place its Policy on Environmental Management that provides a strategic guidance to its activities aimed at enhancing resource use efficiency and waste reduction while improving productivity and efficiency. Through varied initiatives, the Bank works towards reducing its resource consumption, as well as focus on enhancing energy efficiency. In addition, the digitization of its internal processes has aided its efforts, such as by replacing the need for paper. The Bank also engages with authorised waste recycling vendors empanelled with SPCBs (State Pollution Control Boards) and CPCB (Central Pollution Control Board) for disposal of e-waste in compliance with pertinent government regulations. The waste paper and plastics are given to local scrap dealers for recycling purposes. In general, the Bank does not utilise any hazardous and toxic chemicals in its products and processes, thus, it does not generate any hazardous or toxic by-product or waste as an outcome.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of Environmental approval / clearance are being complied with? (Y/N). If no, the reasons there of and corrective action taken, if any.
None of the Bank's locations fall in this category.			

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of Project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
N.A.					

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
No such non-compliances				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Please refer to the responses to the Question 1 of Principle 6

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Bank undergoes external assurance of environmental performance. While the report for fiscal 2023 is under preparation, the assurance statement for fiscal 2023 will be published with the sustainability report.



2. Provide the following details related to water discharged:

Parameter	FY 2023	FY 2022
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
-With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		Not Applicable
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area - Not Applicable
- (ii) Nature of operations - Not Applicable
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023	FY 2022
Water Withdrawal by source (in KL)		
(i) Surface Water		
(ii) Ground Water		
(iii) Third Party Water		
(iv) Seawater / Distilled Water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		Not Applicable
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify the level of treatment		
(ii) Into Ground water		

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Parameter	FY 2023	FY 2022
- No treatment		
- With treatment –please specify level of treatment		
(iii) Into Sea water		
- No treatment		
- With treatment –please specify level of treatment		Not Applicable
(iv) Sent to third parties		
- No treatment		
- With treatment –please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023	*FY 2022
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	54,745.69	46,482.91
Total Scope 3 emissions per rupee of turnover		0.054 g CO ₂ e/ Rupee	0.056 g CO ₂ e/ Rupee
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		0.60	0.54

*The figures are updated after the assurance of the Sustainability Report fiscal 2022.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Bank undergoes external assurance of environmental performance. While the report for fiscal 2023 is under preparation, the assurance statement for fiscal 2023 will be published with the sustainability report.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

As an institution providing financial services, the Bank does not cause any significant, direct impact on biodiversity. However, as a part of its [ESG Policy for Lending](#), the Bank assesses the environmental and social risks as part of its lending decisions under Wholesale Banking.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome the initiative
1	Adoption of centralised Energy Management System (CEMS) initiative	The details of this initiative shall be published in the Bank's sustainability report for fiscal 2023.	In fiscal 2023, the implementation of CEMS in 600 branches helped save 40.02 lac units of electricity, which resulted in saving ~3,250 tCO ₂ e of carbon emissions.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The BCP & Crisis Management Committee (BCPMC) exercises oversight on the implementation of the approved Business Continuity Plan (BCP) framework, which is an integral component of its overall risk governance framework and 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 Policy is accessible at www.axisbank.com/docs/default-source/default-document-library/human-rights-policy.pdf.



8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not Applicable.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. **Number of affiliations with trade and industry chambers/ associations.**

Empanelment on 26 industry bodies/committees

- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/	Reach of trade and industry chambers/ associations
1	Indian Banks Association (IBA)	National
2	Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
3	Bombay Chamber of Commerce and Industry (BCCI)	National
4	World Economic Forum	International
5	Confederation of Indian Industry (CII)	National
6	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
7	Fixed Income Money Market and Derivatives Association (FIMMDA)	International
8	NASSCOM	National
9	Data Security Council of India	National
10	EDM Council	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Competition Commission of India	of India Acquisition of stake in CSC e-Governance Services India Limited by Axis Bank Limited. From the information available in the public domain, the Commission observed that Axis Bank acquired stake in CSC e-Governance Services India Limited (CSC e-Governance). In order to assess whether further proceeding is required under Section 20(1) and/or Section 43A of the Competition Act, 2002 (Act) in relation to acquisition of stake in CSC e-Governance by the Bank, the Commission, in its meeting held on 29 December 2021 had advised the Bank to furnish certain information which was submitted on February 21, 2022. The Commission on May 2, 2022 had asked to furnish further information which was submitted by the Bank. The Commission was of the opinion that the acquisition required notification by the Bank to the Commission in terms of the provisions of Section 6(2) of the Act read with Regulation 5 of the Combination Regulations. Accordingly, Bank has been directed to show cause in writing within 15 days of receipt of this Notice, as to why it should not be held in contravention of the provisions of Section 6(2) of the Act read with Section 43A thereof, for not notifying the transaction to the Commission.	Bank has submitted the response to the SCN vide e-mail dated October 14, 2022

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others - Please specify)	Web Link, if available
There are no such positions taken by the Bank.					

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PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)	Relevant Web link
N.A.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is Ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
N.A.						

3. Describe the mechanisms to receive and redress grievances of the community.

The Bank has in a place a whistle blower mechanism and an e-mail ID which is applicable to all its internal and external stakeholders whistleblower@axisbank.com

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023	FY 2022
Directly sourced from MSMEs/ small producers	As an institution providing financial services, the Bank's operations are not raw material intensive. Thus, local procurement is not a material topic for the Bank. Further, the Bank's operational presence is spread across the country and it sources material such as paper from suppliers in the vicinity wherever feasible.	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
N.A.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Bank's Sustainable Livelihoods program was implemented in the following districts during the year:

No.	State	Aspirational District
1	Andhra Pradesh	Visakhapatnam
2	Assam	Udalguri
3	Bihar	Araria Khagaria Katihar
4	Chhattisgarh	Bastar Dantewada (Dakshin (South) Bastar) Korba Mahasamund North (Uttar) Bastar Kanker
5	Gujarat	Dahod
6	Himachal Pradesh	Chamba
7	Jammu & Kashmir	Baramulla Kupwara
8	Jharkhand	Bokaro Dumka Godda Hazaribagh Khunti West Singhbhum Ramgarh Ranchi



No.	State	Aspirational District
9	Madhya Pradesh	Barwani Khandwa Singrauli
	Maharashtra	Nandurbar
10	Odisha	Kalahandi Koraput Nabarangapur Rayagada
11	Rajasthan	Jaisalmer Sirohi
12	Tamil Nadu	Ramanathapuram
13	Uttar Pradesh	Bahraich

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
- (b) From which marginalized /vulnerable groups do you procure?
- (c) What percentage of total procurement (by value) does it constitute?

The Bank does not have a preferential procurement policy addressing the above parameters. The Bank does focus on green procurement wherever applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis calculating Benefit share
		N.A.		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	N.A.	

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Sustainable Livelihoods	0.27 million households	100%
2	Financial Literacy Program	1.15 million individuals	100%

The Sustainable Livelihoods and Financial Literacy Programs are the two largest programs of the Bank and benefit a great number of beneficiaries.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Axis Bank is committed to delivering the highest levels of customer experience and satisfaction to its customer base and has put in place the requisite frameworks and measurements to gauge customer satisfaction across key journeys, touch points and business lines. The Bank collects feedback from customers via online surveys and telephonic interviews for select segments, wherein surveys are sent through SMS and emails to customers.

The Bank also has in place grievance redressal portal, offering 3 levels of escalation to customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	N.A.
Recycling and/or safe disposal	

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3. Number of consumer complaints in respect of the following:

	FY 2023		Remarks	FY 2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising						
Cyber-security	0	0		5	0	
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices*	38,197			45,208		

Please refer to the section on Customer complaints for the top 5 categories of complaints received on Annual Report.

*The complaints received have been categorised as per the 16 categories proposed by RBI in its circular dated 27th Jan 2021. According to the same, Unfair Trade Practices consists of the following category - Mis selling & Non-observance of Fair Practices Code.

4. Details of instances of product recalls on account of safety issues:

Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Axis Bank pursues a holistic Information and cyber security programme with a comprehensive Information Security policy, Cyber Security Policy and standards based on industry best practices, with compliance to regulatory guidelines and in alignment to regulatory directives on Information and Cyber security. Bank has invested in strong technical and administrative controls to proactively prevent, detect, and timely contain and respond any suspicious activity. Bank is compliant to ISO 27001 standard and PCI DSS standards. The Bank remains committed to adopting the highest standards for customer privacy and data security, and is guided by its Customer Privacy Policy, accessible at <https://www.axisbank.com/privacy-policy>. Details of the Bank's Information Technology and Cyber Security governance, controls and initiatives during the year are provided in the 'Information Technology and Cyber Security' section of the Management Discussion & Analysis in the Annual Report Fiscal 2023,

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Axis bank has set-up a framework to collect customer preferences through consents on application forms. Moreover, customer preferences are being collected on application forms filled for NRI products.

There has not been a data breach in the previous year within the control environment established by data protection office, within the Bank. The Bank's BitSight rating, a key risk indicator of overall cyber security, stood at 790 out of 900, highlighting our strong focus on risk and governance. Please refer to Bank's Risk Governance Section of the Annual Report.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Axis Bank's products and services cater to a wide spectrum of the Indian economy and its society and are designed to best meet their needs and requirements. The Bank has the necessary checks and balances in place to ensure that its product offerings meet the stringent norms put in place by the Reserve Bank of India, and that its representatives, especially those dealing directly with customers, whether in person, on the phone, or online, are adequately trained on critical Know Your Customer policies, and equipped with the relevant product information. In this regard, the Bank's key codes, policies and commitments towards customers, such as the Code of Commitment, Citizen's Charter, Customer Rights Policy, among others, are accessible on the Bank's website at www.axisbank.com/webforms/code-of-commitment. The bank publishes information about its varied range of financial products and services in its website <https://www.axisbank.com/explore-products>



2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Axis Bank has in place a Privacy Policy for customers to increase awareness on the steps taken by the bank to protect and process personal data of customer, in a responsible manner.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Bank has adequate measures in place towards informing its customers of any risks of disruption or discontinuation of its services, which are also guided by the appropriate regulations for the sector. These are also guided by the Bank's Business Continuity

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Bank makes every effort to ensure that the contracts or agreements it frames are transparent, easily understood by and well communicated to its customers. The product's price, the associated risks, the terms and conditions that govern use over the product's life cycle and the responsibilities of the customer and the bank are clearly disclosed. In pursuance of the above, the bank

- Ensures complete transparency so that the customers can have a clear understanding of what they can expect from the bank.
- Provides customers with information about its products and services, terms and conditions, and the interest rates / service charges in a simple and easily understandable language, and with sufficient information so that the customer can make an appropriate and informed decisions/ choice of product
- Displays product related information and tariff schedule on the website for customer's perusal.
- Provides information on interest rates, fees and charges either on the Notice Board in the branches or website or through help-lines
- Provides Product information, related terms & conditions and tariffs at the time of on boarding in the welcome kit as well as directly through customers through on-boarding emailers and SMS
- Makes known the key risks associated with the product through provision of Most Important Terms and Conditions (MITC) associated with the product or service.
- Make every effort to ensure that staff dealing in a particular product is properly trained to provide relevant information to customers fully, correctly and honestly

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil. No data breach reported in fiscal 2023

b. Percentage of data breaches involving personally identifiable information of customers

Nil.