

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(As prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014)

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Bank has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Bank's website and the web-link for the same is <http://www.axisbank.com/csr/pdf/Axis-Bank-Policy-CSR.pdf>

The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The Bank aims to promote literacy among the disadvantaged and differently-abled people, and also awareness amongst public at large which includes financial literacy, consumer education and awareness on prevention of fraud and cybercrime as well as capacity building and skill building in various sectors of the economy. The Bank promotes initiatives that preserve, restore and enhance environment, ecological balance, and natural resources. It undertakes measures to eradicate poverty and reduce inequalities faced by socially and economically backward groups.

The CSR activities are pursued through various initiatives undertaken by the Bank or through Axis Bank Foundation (ABF) or through any other Trust or agencies and entities as deemed suitable. The Bank leverages its geographical spread to undertake such initiatives.

Set up as a Public Charitable Trust in 2006, Axis Bank Foundation (ABF) is the Corporate Social Responsibility (CSR) arm of Axis Bank Ltd. It complements the activities being carried out by the Bank under CSR with sharper focus on creating sustainable Livelihoods. Partnering with close to 100 NGOs across the length and breadth of India since it was set up, ABF has impacted 8.14 lacs beneficiaries across the focus areas till 31.03.2016. An illustrative list of various programs and activities supported by ABF can be accessed at www.axisbankfoundation.org.

ABF measures the impact of its programs through reputed external partner organisations. The impact from the evaluated programs has been manifold viz. developing capacities of rural poor, building community institutions, higher crop yields, increased savings, greater access of women to financial services, placement of trainees leading to employment and substantial increase in income over baseline income, all of which resulting in holistic development of communities. During the year 2015-16, ABF has released five thematic impact assessments reports highlighting the impacts of ABF programs. A CSR Process Manual was also released which is a compendium of best practices followed by ABF in CSR process management across the life-cycle of CSR initiatives. The documents are made available to public for free of charge through ABF website (www.axisbankfoundation.org) in a bid to help NGOs and other organisations adopt such best practices in CSR process management across the life-cycle of CSR initiatives.

2. **The Composition of the CSR Committee:** Shri Som Mittal (Chairman), Smt. Usha Sangwan and Shri V. Srinivasan.

3. **Average net profit of the company for last three financial years:** ₹8,151.34 crores

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹163.03 crores

5. **Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year (2015-16): ₹137.41 crores

(b) Amount unspent, if any: ₹25.62 crores

(c) Manner in which the amount spent during the financial year is detailed in **Annexure A**.

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6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

As an integral part of society, the Bank is aware of its corporate social responsibilities and has been engaged in community and social investment. For this purpose, the Bank has set-up a Trust – the Axis Bank Foundation (ABF) and has been contributing one percent of its previous year's net profit to the Foundation and its partner NGOs since 2006-07 and has cumulatively contributed ₹329.26 crores till date. ABF activities are spread across 241 districts in 26 states across the country. During the year, the activities of ABF have reached out to additional 2.33 lacs beneficiaries, taking the cumulative count of beneficiaries to 8.14 lacs. The Bank also conducts programs on Environmental Sustainability, Skill Development and Financial Literacy and Inclusion.

During the year 2015-16, emphasis was laid on strengthening internal capabilities as well as those of ABF partner NGOs. A conference-cum-workshop was conducted by the Bank in association with ABF to release a CSR Process Manual. The Manual outlines critical best processes adopted by ABF from policy formulation and envisioning the strategic intent, project identification and selection through a rating tool, project implementing and monitoring tools, both programmatic and financial. To further enable NGOs and other organisations adopt best practices and tools, the CSR Process Manual has been made available to public for free of cost through ABF website www.axisbankfoundation.org. These activities are aimed to help the Bank in scaling its CSR programs in a sustainable manner.

During the year 2015-16, the Bank has spent ₹137.41 crores on various CSR activities, which is equivalent to 1.69% of its average net profits of the last three financial years. The CSR expenditure incurred for the year 2015-16 increased by ₹14.19 crores compared to that of 2014-15. While the absolute CSR expenditure has increased compared to last year, the Bank was not able to spend entire prescribed amount of 2% of its average net profits of the last three financial years for 2015-16. The Bank is committed to continually explore new opportunities which align to its CSR philosophy and create maximum impact, and incrementally invest in CSR activities to spend the prescribed CSR amount in the subsequent years.

7. The CSR Committee of the Board of Directors hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Bank.

Place: Mumbai

Date: 25th April 2016

V. Srinivasan

Deputy Managing Director

Som Mittal

Chairman – CSR Committee

Annexure A

(1) Sr. No.	(2) CSR Project or Activity Identified	(3) Sector in which the Project is covered	(4) Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount Outlay (Budget) Project or programs wise	(6) Amount Spent on the Projects or programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	(7) Cumulative Expenditure up to the Reporting Period	(8) Amount Spent: Direct or through implementing Agency
1.	Contribution to Axis Bank Foundation and its partner NGOs towards undertaking CSR activities as per the focus areas and programs listed in Axis Bank's 'Policy for Corporate Social Responsibility'. Details of the initiatives undertaken by Axis Bank Foundation are available at: www.axisbankfoundation.org	Education (primary, secondary, supplementary, special, vocational), livelihood enhancement, vocational skills training, conservation of natural resources and rural development, healthcare (including preventive healthcare)	1. Local area (213 districts) and others (28 districts) 2. Andhra Pradesh (09 districts), Arunachal Pradesh (01 district), Assam (03 districts), Bihar (10 districts), Chhattisgarh (09 districts), Delhi (01 district), Gujarat (22 districts), Jharkhand (12 districts), Karnataka (14 districts), Kerala (04 districts), Madhya Pradesh (22 districts), Maharashtra (25 districts), Manipur (01 district), Meghalaya (06 districts), Mizoram (02 districts), Nagaland (01 district), Odisha (14 districts), Punjab (03 districts), Rajasthan (23 districts), Sikkim (01 district), Tamil Nadu (10 districts), Telangana (05 districts), Tripura (02 districts), Uttar Pradesh (19 districts), Uttarakhand (12 districts), West Bengal (10 districts)	₹73.58 crores (For 2015-16)	Direct expenditure: ₹73.58 crores Overheads: Nil	₹329.26 crores (Contribution to the corpus of Axis Bank Foundation and its partner NGOs since 2006-07)	Through Axis Bank Foundation and its partner NGOs
2.	Financial literacy and inclusion program: a. Financial literacy initiatives to create awareness and educate various sections of society, especially those which do not have access to banking system, on personal financial management and provide them access through financial inclusion initiatives. b. Financial literacy and consumer awareness initiatives to safeguard against fraud and cybercrime	Education (financial literacy, consumer awareness), reducing inequalities faced by socially and economically backward groups, rural development	1. Local area 2. Andaman & Nicobar UT (02 districts), Andhra Pradesh (16 districts), Arunachal Pradesh (02 districts), Assam (27 districts), Bihar (37 districts), Chandigarh UT (01 district), Chhattisgarh (22 districts), Dadra & Nagar UT (01 district), Daman & Diu UT (02 districts), Delhi (11 districts), Gujarat (29 districts), Haryana (20 districts), Himachal Pradesh (07 districts), Jammu & Kashmir (13 districts), Jharkhand (21 districts), Karnataka (34 districts), Kerala (16 districts), Madhya Pradesh (50 districts), Maharashtra (36 districts), Manipur (06 districts), Meghalaya (04 districts), Mizoram (02 districts), Nagaland (04 districts), Odisha (33 districts), Puducherry UT (03 districts), Punjab (24 districts), Rajasthan (35 districts), Sikkim (03 districts), Tamil Nadu (33 districts), Telangana (10 districts), Uttar Pradesh (71 districts), Uttarakhand (07 districts), West Bengal (24 districts)	₹30.03 crores	Direct expenditure: ₹30.03 crores Overheads: Nil	₹82.35 crores (since 2014-15)	Direct and through Business Correspondents

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Annexure A							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or programs wise	Amount Spent on the Projects or programs Sub-heads: (1) Direct (2) Overheads	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
3.	Environmental sustainability program: a. Reduction of GHG emissions through use of renewable energy and optimising energy efficiency b. Promoting ecological balance and natural resource conservation through tree plantation	Environmental sustainability, ecological balance and natural resource conservation	1. Local area 2. Andaman & Nicobar UT (01 district), Andhra Pradesh (06 districts), Assam (05 districts), Bihar (08 districts), Chandigarh UT (01 district), Chhattisgarh (05 districts), Dadra & Nagar Haryana (10 districts), Himachal Pradesh (01 district), Jharkhand (02 districts), Karnataka (12 districts), Kerala (04 districts), Madhya Pradesh (10 districts), Maharashtra (19 districts), Odisha (17 districts), Punjab (09 districts), Rajasthan (02 districts), Tamil Nadu (15 districts), Telangana (05 districts), Uttar Pradesh (09 districts), Uttarakhand (03 districts), West Bengal (12 districts)	₹28.35 crores	Direct expenditure: ₹28.35 crores Overheads: Nil	₹34.10 crores (since 2014-15)	Direct
4.	MSME Sector building program: Contribute to MSME sector capabilities enhancement through knowledge based skills development.	Education (skills development)	1. Local area 2. Andhra Pradesh (02 districts), Assam (01 district), Bihar (01 district), Chandigarh UT (01 district), Chhattisgarh (01 district), Delhi (01 district), Gujarat (04 districts), Haryana (01 district), Jharkhand (01 district), Karnataka (02 districts), Kerala (02 districts), Madhya Pradesh (02 districts), Maharashtra (05 districts), Odisha (01 district), Punjab (02 districts), Rajasthan (02 districts), Tamil Nadu (05 districts), Telangana (01 district), Uttar Pradesh (03 districts), West Bengal (01 district)	₹1.67 crores	Direct expenditure: ₹1.67 crores Overheads: Nil	₹2.76 crores (since 2014-15)	Direct
5.	Education and Skill development program: a. Promoting entrepreneurial skills among college students a. Imparting employable skills to youth	Education (skills development)	1. Local area 2. Andhra Pradesh (02 districts), Bihar (01 district), Delhi (01 district), Gujarat (02 districts), Haryana (01 district), Jharkhand (02 districts), Karnataka (02 districts), Kerala (01 district), Madhya Pradesh (03 districts), Maharashtra (03 districts), Meghalaya (01 district), Odisha (02 districts), Rajasthan (02 districts), Tamil Nadu (01 district), Telangana (01 district), Uttar Pradesh (02 districts), West Bengal (01 district)	₹2.08 crores	Direct expenditure: ₹2.08 crores Overheads: Nil	₹2.08 crores	Direct
6.	Administrative expenses: Administrative and other expenses including salaries and training cost for the Bank's CSR personnel, training and capacity building of implementation partners and staff cost for CSR initiatives up to 5% of overall CSR Expenditure	Allowed under Rule 4, sub-rule 6 of CSR Rules 2014	Not Applicable	₹1.70 crores	Direct expenditure: Nil Overheads: ₹1.70 crores	₹3.52 crores (since 2014-15)	Direct
TOTAL				₹137.41 crores	₹137.41 crores	₹454.07 crores	

*Give details of implementing agency: The details of partners of Axis Bank Foundation are available at <http://www.axisbankfoundation.org/partners/partners.aspx>. The details of the Bank's Business Correspondent (BC) Partners are available at <http://www.axisbank.com/agri-rural/financial-inclusion/business-correspondents/business-correspondents.aspx>.