

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

[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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Axis Bank Limited** (hereinafter called 'the Bank') for the audit period covering the financial year ended on 31st March 2016 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and subject to our separate letter attached as Annexure I; we hereby report that in our opinion, the Bank has, during the audit period generally 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 31st March, 2016 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, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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- (g) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- (h) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
- (vi) The Banking Regulation Act, 1949.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes
2. Listing Agreement entered into by the Bank with the Stock Exchanges(s)

During the period under review, the Bank has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Bank:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

We further report that –

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 is given at least seven days in advance to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Bank were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that –

There are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has–

1. Obtained approval of members by way of special resolution under section 180 (1) (c) of the Act to authorize the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Bank, but not exceeding a sum of ₹150,000 crores.
2. Obtained approval of members by way of special resolution under section 42 of the Act to borrow/raise funds in Indian / Foreign Currency by issue of debt instruments including but not limited to bonds in nature of non-convertible debentures upto ₹35,000 crores in domestic and/or overseas market.
3. Approved Sponsored Level 1 Depository Receipt (DR) issuance programme of upto 142 million DRs, with conversion of 5 equity shares to 1 DR, pursuant to the Depository Receipts Scheme, 2014 for facilitating issue of Depository Receipts outside India against underlying existing equity shares through a Foreign Depository through sponsored route.

For **BNP & Associates**
Company Secretaries

Place: Mumbai
Date : 26th April 2016

Keyoor Bakshi
Partner
FCS 1844/ CP No.2720

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2016

To

**The Members,
Axis Bank Limited**

Our secretarial audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records and compliance 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 the 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. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

For **BNP & Associates**
Company Secretaries

Place: Mumbai
Date : 26th April 2016

Keyoor Bakshi
Partner
FCS 1844/ CP No.2720