



experience open



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How we performed in Fiscal 2019-20

Total assets

₹915,165 crores
14% ↑

Total deposits

₹640,105 crores
17% ↑

Total advances

₹571,424 crores
15% ↑

Total income

₹78,172 crores
15% ↑

Net interest income

₹25,206 crores
16% ↑

Net profit

₹1,627 crores

Gross NPA

4.86%
(previous year 5.26%)

Net NPA

1.56%
(previous year 2.06%)

Provision coverage ratio

69%
(previous year 62%)

Cost: Asset ratio

2.09%
(previous year 2.13%)

Net interest margin (NIM)

3.51%
(previous year 3.43%)

Capital adequacy ratio

17.53%
(previous year 15.84%)

Above are standalone figures as on/for the year ended 31 March, 2020

↑ Growth in Fiscal 2019-20 vis-à-vis Fiscal 2018-19

Open defines everything we have always been.

It is a philosophy that has been part of our DNA for the last 26 years. It is the way we organise ourselves on every front, internally and externally.

Be it our keen eye to spot opportunities and willingness to act on them. Or our commitment to our customers that no matter what they have to say, we are here to listen.

We are open to ideas, suggestions and even criticism. We are open to newer ways of working, technologies, and approaches, that will shape the future of financial services. We strive to live up to our commitment to partner communities and the wider family of stakeholders in inclusive development.

Our business moves on the wheels of trust. We deeply value the confidence and faith of our stakeholders, and we promise to uphold the highest standard in delivering them. Our aim is to grow together as India's most reliable bank.

We are Axis. We are Open.



Prelude

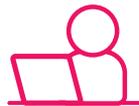
Open has diverse facets

Open is our credo that touches all in different ways and creates value that builds lasting recall. It is a journey that we cherish, every moment of every day. Here is a closer look.



Enriching experiences for **CUSTOMERS**

- Offering a wide basket of product and services as One Axis, across all group companies
- Enhanced ease of banking by using digital and mobile banking channels
- Branches facilitate customer engagement to drive stronger relationships with customers
- Simplified processes, reduced documentation requirements and increased system-based renewals for SMEs
- Created a new sales channel with focused verticals for salary, trust and societies
- Improved turnaround time for opening new accounts



Upskilling and motivating our **PEOPLE**

- Attracting, nurturing and developing talent from across the board
- Driving diversity and inclusion
- Enhancing growth and career prospects through expansion across business lines
- Refining the performance-based growth path and reward system



Fulfilling commitment to **REGULATORS**

- Relentless focus on elevating compliance
- Embedding governance as the way of life at Axis



Creating value for **SHAREHOLDERS**

- Built a formidable franchisee over the last 10 years
- Remain positioned for cautious, conservative and consistent growth



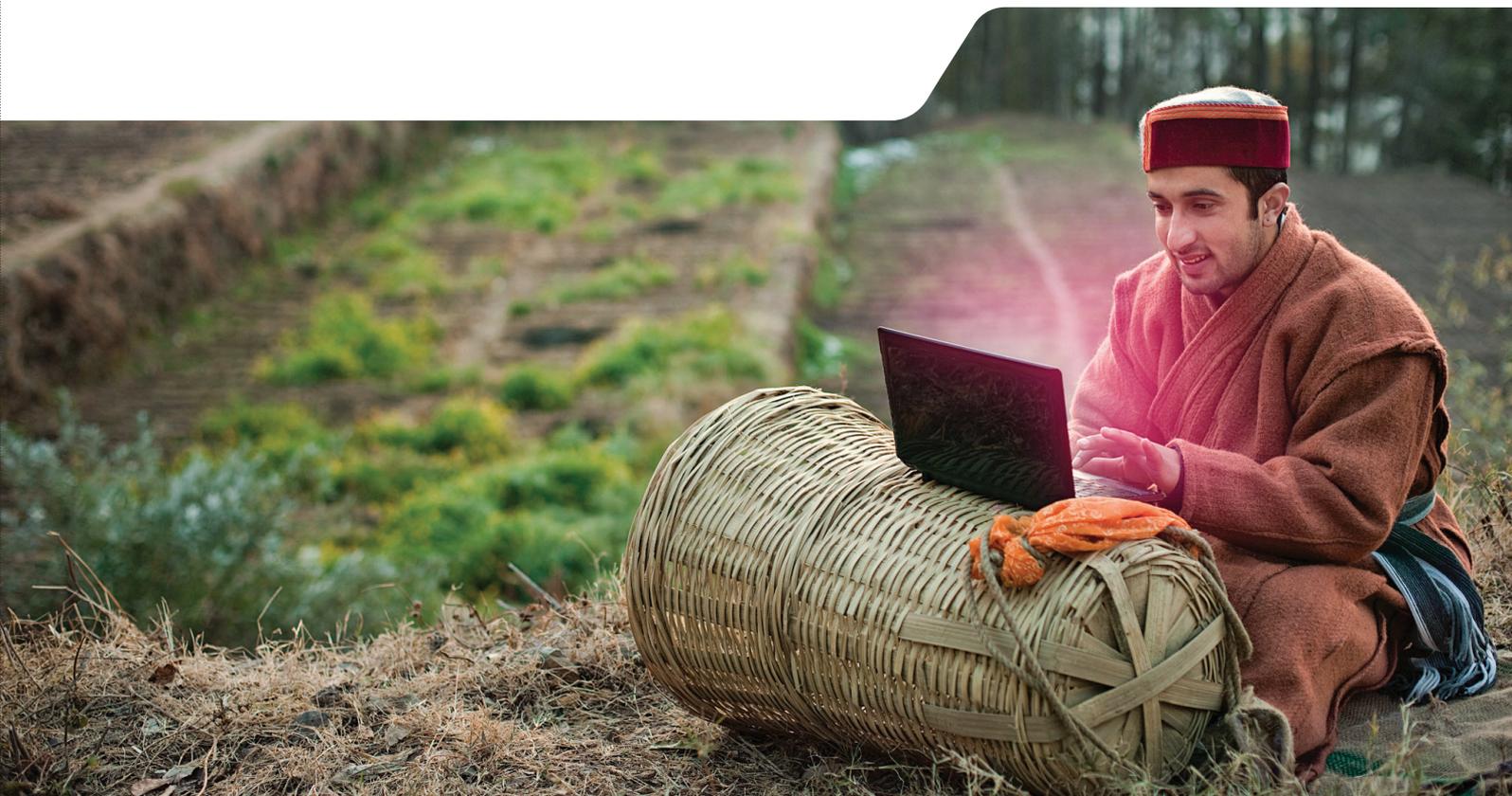
Lending hands for **COMMUNITY uplift**

- Axis Bank Foundation (ABF) creates opportunities for 'Sustainable Livelihoods'
- ABF undertakes and supports various initiatives for poverty alleviation, education and skill development, financial inclusion and literacy, and sustainability



Contributing to **the NATION**

- Rural franchise continues to be strong with 2,145 rural and semi-urban branches
- Transit solutions for Kochi and Bangalore Metro; POS solutions at multiple locations
- Managing multiple schemes of Government of India and various state governments
- Involved in Sarva Shiksha Abhiyaan, Mid-Day Meal, National Food Security Mission, Pradhan Mantri Awaas Yojna and Rashtriya Krishi Vikas Yojna, among others



Staying on Course

About Axis Bank

Emerging stronger everyday



We are operating in one of the world's most inspiring and promising economies. It is also where millions of people are joining the economic mainstream at a faster pace and demanding a better quality of life. Our engagement is focussed on being a impactful enabler of change across these sections of the society.

For over two decades, we have created one of the most valuable banking brands in India. As one of the leading private sector banks of the country, we offer a wide range of products and services to corporate and retail customers through a variety of delivery channels. We commenced our operations in April 1994 and have grown since, in terms of the size of our asset base and physical network of branches, extension counters and ATMs.

Our primary business consists of commercial banking operations for Indian corporate and retail customers. We provide 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, mid-market companies and small and medium enterprises. Our retail operations primarily consist of retail lending and deposit taking and distribution of third-party insurance and investment products. We also offer agricultural and rural banking products.

We have 10 overseas offices, with branches in Colombo, DIFC, Hong Kong, Shanghai and Singapore and representative offices in Dubai, Abu Dhabi, Sharjah, and Dhaka and a subsidiary in London. We also have an offshore banking unit at the International Financial Service Centre located at the Gujarat International Finance Tec-City in Gandhinagar, India. Our foreign branches primarily offer corporate banking, trade finance, treasury and risk management services.

Our combination of diverse offerings and a customer-focused approach has enabled us to design relevant solutions to meet evolving customer aspirations, resulting in sustained business growth, even in a largely volatile and uncertain market scenario.

Our strong balance sheet, culture of learning, adaptability to change and above all, a service-oriented mindset help us stay ahead of the curve.

Fact box

3rd

Largest private sector bank in India[#]

4,500+

Branches and Extension Counters

17,477*

ATMs and Cash Deposit/Withdrawal machines

5.2 lakhs+

POS Machines

7.0*

million Credit Cards issued

24.5*

million Debit Cards issued

120

SME Centres

6.92

lakhs households/trainees impacted

* As on 31 March, 2020

[#] in terms of total assets

Vision

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

Core Values

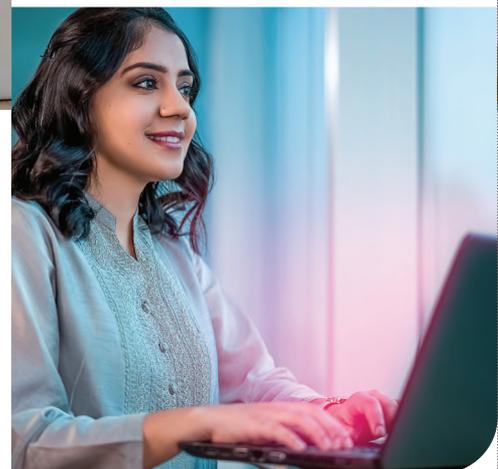
*Our deeply cherished
values set our compass in
the right direction, so that
we can sustainably create
and protect value for
all our stakeholders*



Ethics

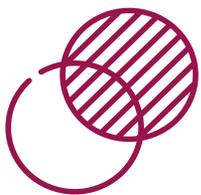


Customer Centricity





Teamwork



Transparency



Ownership

One Axis

Open as One Axis

We offer a universal banking platform spanning diverse business segments and several group companies. We aspire to be a one-stop financial solution provider for our customers under the 'Open' credo. We use our customer insight to provide tailored, integrated products and services. The result is a wide value proposition basket that relies on the trust of existing customer relationships and acquisition of new customers across sectors.

Axis Finance Ltd.

NBFC catering to the varied needs of retail, corporate and institutional customers; offerings comprise loans against securities, corporate lending, real estate financing, and IPO funding among others. We are growing at a CAGR of ~30% in the last 5 years.

24.14%

Capital adequacy ratio
(Tier I ratio of 16.38%)#

Axis Capital Ltd.

Propelled by a strong and experienced team, Axis Capital helps customers plan for their financial requirements and execute those plans in a hassle-free manner. Therefore, whether it's Mergers & Acquisitions, IPOs, QIPs, private equity or financial advice, Axis Capital comes first as a relevant and reliable partner.

17

Deals* concluded during Fiscal 2019-20, highest among peers

*considering only IPOs, QIP, QFS and Rights issue

A.Treds Ltd.

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

4.9 lakhs

Invoices discounted till date with a throughput of ₹7,491 crores

#As on 31 March, 2020

Axis Asset Management Company Ltd.

Aims to provide 'risk managed investment solutions' and not just investment products to both retail and institutional investors.

₹117,254 crores

Average assets under management for Fiscal 2019-20

Axis Trustee Services Ltd.

SEBI registered debenture trustee and has successfully handled various trusteeship activities namely debenture trustee, security trustee, security agent, lenders' agent, trustee for securitisation and escrow agent, among others.

₹2,126,291 crores

Assets under custody[#]

Axis Securities Ltd.

Undertakes the business of retail broking services via multiple products to its customers for trading in cash, derivatives and IPO segment through NSE and BSE. Customers also have the benefits of well-researched information about various corporates, access to independent third-party research, stock research and analysis tools, apart from a host of innovative features and functionalities. Recognised as 'Top Equity Broker of Year 2019' at the BSE Commodity Equity Outlook Awards.

2.27 million

Customer base[#], up 8% y-o-y



Freecharge Payment Technologies Private Ltd. and Accelyst Solutions Private Ltd.

Provides digital payments and digital financial service platform, which helps Bank acquire young, digital native customers, through co-created financial service offerings. It also creates a significant cross-sell base for us. It has emerged among the top financial services apps in India.

6 million

Monthly active users[#]

[#]As on 31 March, 2020

Message from MD & CEO

“

As the economy continues to combat the unprecedented uncertainty caused by COVID-19 pandemic outbreak since the start of this calendar year, we have lived up to our promise to the nation of being a responsible citizen, being 'Open' to address the needs of our customers, employees and communities.

- Amitabh Chaudhry

”



Dear Shareholders,

Over the last 26 years of our operations, it has been a priority for the Bank to stand by our customers as a trustworthy and supportive partner, helping them fulfil their financial needs and realise their life ambitions. The Bank continues to be perceived as an approachable, caring, efficient and empathetic institution by our customers.

Customer centricity has been one of the core values of the Bank and the spirit of openness is reflected in every interaction which our employees have with each of our customers every day. For us, 'Open' is more than a sign that is displayed at our branch doors. It is a sign of what our customers can expect when they walk in through our doors. For their dreams and hope, our ears and minds are open, and for their plans we promise to open every possible window of opportunity.

In fiscal 2020, the Bank successfully raised ₹12,500 crores of capital through one of the largest ever QIP issues by a private sector issuer, this strengthened the Bank's capital ratios, with total adequacy of 17.53% and CET1 ratio of 13.34%. The operating profitability in fiscal year 2020 continued to remain steady with 16% growth in net interest income and 23% growth in operating profits. The Bank's net NPA plus BB & below book has declined substantially to 2.7% from 3.4% at the end of last fiscal. The provision coverage (without considering write-offs) increased to 69% from 62% at the start of the year. The Bank now holds additional provisions aggregating to ₹5,983 crores towards various contingencies which are not included in the aforementioned provision coverage.

The Governments and Central banks across the world have responded with massive fiscal, monetary and regulatory measures to counter the outbreak of virus and protect their respective economies that have come to a near standstill state. However, the global economic activity will take a long time to recover. The Government of India and the Reserve Bank of India have responded swiftly, announcing wide measures to aid weaker sections

of society and facilitate credit flow to the economy; and I expect further measures from them to consistently support the economy during the prolonged recovery phase. As the economy continues to combat the unprecedented uncertainty caused by COVID-19 pandemic outbreak since the start of this calendar year, we have lived up to our promise to the nation of being a responsible citizen, being 'Open' to address the needs of our customers, employees and communities.

The Bank has been agile and responsive to the ever changing situation. We had proactively strengthened the operational and technological infrastructure needed, to ensure continuity of normal operations. During the lockdown phase implemented by government, over 96% of our ATMs and 99% of our branches were operational. We implemented a large-scale 'work from home' mandate with over 9,000 VPN and VDI connections provided to ensure business continuity and almost 100% of the critical activities were capable of being executed by working from home. I am immensely proud of our team of 74,000+ who came together as one, working fearlessly from branches, offices and from their

homes to reach out and serve the customers in their most difficult times. The customer feedback and stories of support are a strong testament to the Axis spirit. We reached out to almost 3 lakhs customers on a daily basis during this period.

The Bank has navigated this unprecedented and challenging period, well assisted by our capital position, adequate liquidity buffers and stable deposits franchise.

The Bank has been agile and responsive to the ever changing situation. We had proactively strengthened the operational and technological infrastructure needed, to ensure continuity of normal operations.

Several of the initiatives that we implemented during the year under the Bank's GPS strategy helped us to be in a better position in these trying times. Our teams have deliberated, created and executed on new strategies and ways we work, to enable us to be adequately and appropriately be prepared to get back to work on return to normalcy.

In fiscal year 2020, we continued to invest in each of the core pillars of our franchise – people, products and technology. Our operating performance was stable, while we continued on our journey to be conservative in our approach towards building a sustainable franchise. During the year, we have completed the organisation restructuring and strengthened our teams to bring in greater business focus and drive performance and efficiency. We carved out the credit underwriting functions which resided within the business segments, to enhance governance and further strengthen the risk framework in the Bank.

The Bank has over the last decade, built a strong Retail franchise that continues to deliver healthy growth in retail deposits, and constitutes significantly to our overall loans and fees. During the year, we made changes to the organisation structure in Retail with creation of separate liability sales vertical to increase focus on new customer acquisition on the CASA (Current and Savings Account) and Retail Term Deposit (RTD) side even as branches focused on deepening the relationship with existing customers. Our focus towards building a granular, stable and low cost liability franchise saw sustained momentum with 22% growth in CASA plus RTD deposits (on cumulative daily average basis) for the year.

Branch banking remains an integral part of our growth strategy and we have made significant investments in building a high quality liability franchise. During the fiscal year, we opened 478 branches – our highest in any given fiscal year. The branch

banking continues to focus on deepening relationship with existing bank customers and cross selling of products across the Axis Group franchise. We have also undertaken efforts to deepen the Axis Franchise in rural and semi-urban areas, in order to increase our market share in these regions and simultaneously help in further complementing our Priority Sector Lending business. However, given the uncertainty induced post COVID-19, we may delay branch network expansion in the immediate near term even as we continue to engage in optimisation of the branch formats to deliver enhanced productivity, led by automation and digitisation of service operations.

During the year, the Bank's Retail loan book grew by a healthy 24% and now contributes 53% share in total advances. Although the Bank has significantly diversified its Retail loan book over the years, led by right product propositions, the book continues to remain largely secured with high proportion of existing to Bank customers. The secured loans constitute 80% to the book and more than 80% of retail assets are sourced from existing customers.

We would continue to focus on secured retail lending while maximising cross sell opportunities to the Bank's existing deposit customer base and leveraging the Bank's wide geographical and digital infrastructure network for cost optimisation. The proportion of retail assets sourced through digital means have been steadily increasing with over 44% of personal loans in fiscal 2020 sourced digitally; we are now working on digital lending solutions for the secured loan products with digital home loans for funding of approved projects.

The Bank's strong data analytics engine and robust proprietary risk scorecards have ensured superior underwriting across the retail portfolio and more specifically in unsecured loans. At the same time, our asset recognition and provisioning standards continue to remain best in class in the industry with

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NPA recognition on daily basis and full provisioning on unsecured products like personal loans and credit cards upon asset being classified as substandard on 90 days past due basis.

Our wealth management business, Burgundy with assets under management of over ₹1,47,000 crores, continues to do exceedingly well. During the year, we launched Burgundy Private, our most exclusive offering, which caters to the distinct needs of niche segment of high and ultra-high net worth clients. The Burgundy Private proposition has scaled up rapidly within just 4 months of its launch to cover over 850 families across 15 key locations with assets of nearly ₹18,000 crores as at 31 March, 2020.

The performance of our Wholesale business continued to improve in fiscal 2020 with domestic corporate loan growth of 13%. We have built strong relationships with the better rated domestic corporates and continue to focus on gaining a higher share of shorter tenure working capital and transaction banking businesses. We are also leveraging on our 'One

Axis' strategy; our ability to provide comprehensive solutions to clients across lending and Transaction Banking along with our subsidiaries like Axis Capital and Axis AMC resulted in deepening of relationship with the Bank's large and strategic clients.

During the year, we have reviewed and optimised our overseas operations in line with the overall corporate strategy. We are consolidating the services related to corporate banking, trade finance, treasury and risk management solutions through our Dubai, Singapore and GIFT City branches.

In the commercial banking segment, we have been cautious, and invested throughout the last twelve months in rebuilding the business across sales and credit. This exercise is complete and we feel we can capitalise on this going forward. We continue to focus on building a relationship based model with high rated SME and current account business customers. The SME book is well diversified and quality remains steady with 85% of it secured by hard collaterals and with high proportion of working capital loans. During the year, we further strengthened our systems and processes to ensure that we respond quickly to any early-warning signals in our portfolio.

We have strong market positioning across most digital payments solutions and remain committed to contribute towards the government's Digital India mission. We have one of the best rated mobile apps in the country, and continue to remain among the top three leading players in the UPI ecosystem. In credit cards, we continue to be ranked 4th in terms of market share in card spends and have further strengthened our card portfolio with launch of new cards - Magnus and Burgundy Private, as well as co-branded cards with Flipkart and IOCL. Our market share in the payments related to RTGS and GST also remains strong. The Bank foresees significant opportunity in digital payments space, given the size

of the opportunity. During the year, the Bank designed and implemented comprehensive solutions like Bharat Bill Payments Services, Smart City Solutions and FASTag, thereby providing powerful platform for users, billers and administration to transact.

We made good progress on our Digital Banking initiative started last year. We now have a team of over 500 highly skilled employees working across our digital and fintech platforms from a dedicated and separate new office in Mumbai. We have multiple cross-functional garages working on end-to-end digital journeys and value propositions. These journeys and garages will go live in the current financial year. Given the environment, we have prioritised some of them like video-based KYC, digital savings accounts and fixed deposits, simpler current account on boarding alongside digital collections; and expect them to go live during the next few months.

We will continue to enhance our customer experience and offerings through new innovations on the digital side and investments in API, cloud, artificial intelligence and big data, we remain cognisant of the emerging cyber security threats and privacy laws. We have made considerable investments in technology and infrastructure to strengthen the core. During the year, the Bank won the Best Cyber Security Project, Best Financial AI Project and Best Risk Management Project at The Asset Digital Awards. The Bank also won the award for best use of IT in Risk Management at the Dun & Bradstreet BFSI Summit & Awards 2020; these awards serve as a testament of our strong digital and IT capabilities.

We have simplified and strengthened various process and quality gaps to enable the Bank to deliver process excellence and superlative customer experience. During the year we have reorganised our IT, Operations and Data Science teams under the Banking Operations and Transformation vertical. The teams are entrusted to transform the operations of the

Bank so that we have one of the best systems and processes among Indian Banks and are also ready to seamlessly integrate the various digital journeys that our Digital Banking teams are building simultaneously. The success of this initiative is visible through the high numbers of branches and ATMs, which have been functional, employees working from home, digital collection initiatives under severe lockdown and mobility restrictions in the past few months.

We implemented a uniform visual brand identity for the Bank and subsidiaries to drive consistency and strengthen the ethos of One Axis across the our retail, digital and offline touch-points. Several cross-functional programmes were initiated where different teams came together to work on common goals and this has started to become a differentiator for us in the market. We are beginning to see early results in cross selling by leveraging customer data available within One Axis, in a fully compliant manner.

Our subsidiaries continue to deliver strong operational performance even as we remain focused on improving our market share and attaining scale in respective businesses. We have made significant senior talent infusions across our subsidiaries in Axis AMC,

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Staying on Course

Axis Capital, Axis Finance, and Axis Securities, our retail brokerage business. During the year, Axis Capital and Axis AMC continued their market dominance in equity capital markets and mutual fund space, respectively.

We entered into a strategic partnership and signed an agreement with Max Financial Services to acquire a 30% stake in Max Life Insurance subject to requisite regulatory

approvals. We have always believed in increasing participation in the under-penetrated life insurance space. We value our relationship with each of our insurance partners and will continue to work with them.

I am pleased to state that our GPS strategy is even more relevant in these challenging times, and we continue our relentless execution focus, even as we may need to recalibrate the timeline.

In response to the COVID-19 situation, we launched about 15 strategic initiatives that are aligned to GPS, but with near-term perspective of 60-90 days to ensure we are well prepared and are among the earliest to capitalise on the opportunities. These projects are equally distributed focusing on business and key elements like cost control, capital optimisation,

GPS Progress

At the start of 2019, we had outlined our medium term strategy. We continue to be guided by the ambitions we had set for ourselves as part of that strategy under the vectors of Growth, Profitability, Sustainability, One Axis and our organisational values. While the COVID-19 pandemic has altered the near term business strategies we continue to maintain our focus on the key goalposts of GPS. In order to maintain an agile response to the COVID-19 pandemic, we developed strategic initiatives across business and support functions, being closely monitored by senior management. We intend to come out of this crisis as a stronger Bank by remaining committed to our strategic goals.



Growth

On growth vector, our progress has been satisfactory. In a challenging environment, our liability franchise has remained resilient with overall deposits growth (on cumulative daily average basis) of 21%. While our growth in CASA has lagged the overall deposits growth, we have over the course of the year put in several enablers and initiated multiple projects towards achieving higher growth. The growth in deposits continue to be driver of our loan growth that has seen steady growth without compromising on the risk standards.



Profitability

We have also made considerable progress on profitability vector. Our cost to assets moderated during the year and we continue to focus on building cost consciousness across the Bank. We continue to evaluate and make decision-making across the segments based on RAROC, monitoring and rectifying sub-optimally priced accounts. Though the retail fees has been growing at healthy pace in last few years, the recent economic slowdown is likely to impact fee growth. We have taken many new initiatives, like creating our new third party products vertical to maintain focus on non-credit fee income.



Sustainability

We have been relentlessly focusing on disciplined execution and building sustainability in our business performance and operations. During the year, we have significantly fortified the risk and compliance function, and compliance culture across the Bank. We have strengthened our credit function by streamlining committee structures and improving the credit processes. We have been proactively monitoring the credit risk by systematic reviews and have remained conservative in our stance when it comes to rating downgrades, asset classification, and provisioning.

However, there are few areas where we need to improve further. The corporate slippages continued to remain elevated amid the weak economic environment. Our CASA deposits and Wholesale fee growth has room for improvement. We are working hard towards improving further on each of these parameters and achieving our objectives.

The current environment may delay the timeline, however I believe that we are on the right track towards our GPS strategy aspirations. The tough environment gives us time to consolidate and be better positioned for growth while continuing to build on sustainability.

The current environment may delay the timeline, however I believe that we are on the right track towards our GPS strategy aspirations. The tough environment gives us time to consolidate and be better positioned for growth while continuing to build on sustainability.

efficient liquidity management, risk mitigation and reimagining the work culture.

Our business analytics team has conducted detailed review of geographies that have been opening up so that we have the first mover advantage in those regions. In Retail, we are offering improved product propositions like savings account bundled with insurance for the mass market customers; while our team has also been reaching out to wealth customers who have seen their portfolios impacted severely, to offer them solutions. On the wholesale side, we are looking to increase focus and generate higher business from sectors that are likely to remain less affected by the crisis, while also taking selective bets on certain clients in the stressed sectors for the longer term.

We are rigorously looking at efficient liquidity management on daily basis and looking at risk weighted average optimisation across our portfolios to release CET1 capital. On the cost side, we are looking at improving productivity and containing costs by looking at all the major opex line items,

be it related to fees and commissions, branch rentals or annual maintenance contracts for IT and security.

As an organisation, we have always believed that our long-term success depends on the progress of our employees and communities while protecting the environment we live in. The Bank continues to invest in strengthening and nurturing the talent and employee capabilities while increasing transparency and reinforcing performance-based, meritocracy culture.

During the year, the Bank committed spending ₹100 crores towards curbing the spread of COVID-19 pandemic. Axis Bank Foundation also partnered with NGOs to provide food and hygiene supplies to rural communities, while also creating awareness about the pandemic. Axis Bank Foundation also continued its initiatives towards scaling up financial inclusion and literacy, skill development and education across the country, focusing on the bottom of the pyramid in rural and urban India and the SME sector. Axis DilSe - the Bank's unique intervention in the union territory of Ladakh, completed its third and final phase of building classroom infrastructure and training for staff in over 100 government schools.

I am proud to state that the Bank was included in the prestigious FTSE4Good Emerging Index for the third consecutive year in 2019, a demonstration of our strong Environmental, Social and Governance (ESG) practices.

In these challenging times, we continue to remain cautious and conservative in our approach, and will focus on having adequate surplus liquidity, be prudent in managing credit and operations risk, conserve capital, and even sacrifice growth at the margin, if required. The crisis will eventually speak to the bigger financial institutions with healthy operational performance and strong capital position.

We are confident of emerging from the current economic slowdown as a far stronger One Axis. We have made good progress on our journey of transforming the Bank to be among the best in class and expect to achieve our medium term aspirations led by consistent focus on execution.

I would like to thank all my colleagues for their spirit and determination through the ups and downs of last year, as we collectively work towards transforming and building a winning Bank. I am also grateful to all the external stakeholders for reposing their faith and willingness to partner with Axis Bank in its long-term growth journey.

Warm Regards,

Amitabh Chaudhry
MD & CEO

Message from Executive Director (Retail Banking)



“

Fiscal 2020 was another good year for the Retail segment with steady growth of 22% in deposits and 24% in advances as we continue our relentless focus on delivering sustainable and profitable growth.*

- Pralay Mondal
Executive Director

”

Over the last five years, retail segment growth for the Indian Banking sector has held up well led by growing demand on back of rising consumption and non-discretionary spending. The financial year 2019-20 was no different with retail segment growing at 15% despite series of domestic and global macro-economic factors leading to investment slowdown in India.

However, the year ahead could be challenging given the economic growth is likely to remain stagnant on back of heightened slowdown concerns post the outbreak of COVID-19. This has not only impacted the consumer confidence and consumption demand, but poses threat to the asset quality of the banking system that hasn't seen any major retail credit cycle in a decade.

As we enter these uncertain times we are better placed than the industry given our strong liability profile, diversified and secured nature of our lending portfolio and strong credit underwriting and risk management practices which have further strengthened during the last fiscal. Over the past decade, we have built a strong Retail franchise with customer centricity and superlative customer experience at the core of our diverse products and service offerings. The fiscal 2020 was another good year for the Retail segment with steady growth of 22% in average CASA (current and savings

* refers to average CASA plus retail term deposits

account) plus retail term deposits and 24% in advances as we continue our relentless focus towards delivering sustainable and profitable growth. As part of our strategy to achieve this objective, we made significant strides during the year.

One of the key initiatives that we had taken at the start of the year was to work towards improving the quality of the liability franchise and drive higher growth in retail granular deposits through our CASA plus retail term deposits strategy while bringing in stability in current account deposits. During the year, we have seen momentum pick up on savings account (SA) deposits with 11% growth led by salary account balances even as retail term deposits continued to see strong growth at 37% on cumulative daily average balances basis.

In order to strengthen our deposit franchise, we had earlier this year created a separate liability sales vertical to drive focused and better quality acquisition of new-to-bank (NTB) customers; while the branches have been focusing on deepening relationships with existing deposit customers. We have also strengthened our corporate salary team to drive higher NTB SA acquisitions.

The Bank has over 40,000 relations with entities for their salary mandates covering over 60 lakhs customers. With the aim towards premiumisation of the liability franchise, we have introduced new SA product propositions, Prestige

We continue to strengthen and improve efficiencies across the channels like branches, outbound call centres and digital platforms using process transformation and automation initiatives.

Savings Account that fills the segment gap between 'Prime' and 'Priority' SA accounts and we intend to improve the portfolio balances by improving the quality of accounts.

During the year, we rolled out Burgundy Private, a differentiated value proposition for private banking customers which will be instrumental in further establishing our position in the wealth management and advisory space. We started the 'Deep Geo' initiative to deepen our presence in rural and semi urban (RuSu) markets and have been focusing on self-origination of priority sector lending opportunities and broadening our retail liabilities franchise. We started the pilot in 31 existing branches in RuSu regions and have now covered this to our 387 branches out of over 1,500 branches that we have targeted in regions with high business potential. In the post COVID-19 environment where the rural and semi urban markets have been less affected, we are looking to garner higher incremental market share for retail asset products and granular deposits. We currently offer rural lending products through 584 districts across the country and it is a widely diversified portfolio comprising farm loans, gold loans, rural enterprises, farm equipment and micro finance.

We aspire to deliver seamless omni-channel experience to our customers, and with this objective we continue to strengthen and improve efficiencies across the channels like branches, outbound call centres and digital platforms using process transformation and automation initiatives. We intend to create 'Branch of the Future' and take out repetitive operations and service out of branches, leverage them for customer relationship management and turn branches to 'financial super markets' providing entire gamut of financial products. During the year, we have set up dedicated Asset Desks and Wealth Desks at select branches that would leverage One Axis capabilities to provide niche offerings from the

The digital channel is scaling up well. Over 60% of fixed deposits and 44% of personal loans in fiscal 2020 were sourced digitally.

Bank and its subsidiaries and further reinforce our commitment of providing an array of product and services in the branches. We have created a new team for Process Transformation and Service Excellence, which has been working on over a hundred transformation and automation projects. We have already made significant headway on customer complaints and resolution turnaround time, led by our sundown initiative.

During the year, we opened 478 new branches which has been the highest in any given financial year. However, we continue to optimise the branch sizes with emphasis on higher efficiency, customer centricity and relationship management to drive cross sell opportunities from existing customers. During the fiscal 2020, over 80% of retail assets originations were from the Bank's existing customers with branches, contributing 47% to the overall sourcing of retail assets.

The digital channel is scaling up well with 62% of savings account sourced digitally through tab while over 60% of fixed deposits too were acquired digitally. On the retail assets side, 44% of personal loans in fiscal 2020 were sourced digitally. During the year, the Bank has launched project 'Aarambh' that would further assist the front sales team to offer real time point-of-sale offers for cross sell of multiple products to our customers.

The alternative and digital channels have been playing a key role in the last few months post COVID-19 outbreak. We have been reaching out to nearly

3 lakhs customers daily across the retail Bank through various channels. We have recently re-launched our digital online saving product 'ASAP' and are working towards launching video KYC based digital SA and FD opening and simpler CA on-boarding in the next few months to continue strengthening the liability franchise.

Over the last six years, the Bank has grown its retail lending book steadily at a CAGR of 23% with significant diversification in product mix led by its strategy to cross sell to Bank's existing customers. Despite the significant diversification, the Bank continues to maintain a healthy proportion of secured loans with an objective of providing sufficient cushion to its balance sheet. As at end of fiscal 2020, the secured portfolio constituted 80% with home loans, auto loans and rural loans forming 35%, 13% and 12% of the overall retail book, respectively.

During the year, the Bank has been cautiously optimistic and has grown its lending book in segments where risk return looked attractive. On the unsecured lending side that constitutes around 20% of the retail book, we have continued to focus on cross selling of credit cards and personal loans to the Axis Bank's existing customers. At the same time, our strong data analytics engine and robust proprietary risk models and scorecards have helped us in better underwriting of loans on the unsecured side. Further, over 80% of the unsecured book is from salaried segment and over 80% of borrowers are existing to bank customers.

In the post COVID-19 environment where the priority is towards conserving capital, we would continue to focus on secured lending products like mortgages, LAP and small business banking loans through our branch channels; while leveraging on cross sell opportunities for liability and investment products to generate fee income.

We have further strengthened our credit card offerings by launching new cards 'Magnus' and 'Burgundy Private' in the premium category.

We continue to have strong positioning across the payments space. In Credit Cards, where we are the 4th largest in the industry with over 12% market share in terms of cards outstanding, We have further strengthened our credit card offerings by launching new cards 'Magnus' and 'Burgundy Private' in the premium category. We partnered with Flipkart and launched a Flipkart co-branded card to provide best-in-class benefits to our customers. Strategic partnerships is a key focus area for the Bank and we will continue to explore this space for identifying new opportunities for business expansion. In UPI, we strengthened our position with market share of 15% and now have 92 million VPAs (Virtual Private Addresses) registered with us. Our Mobile Banking platform where we have one of the best rated financial apps in the country, witnessed 92% increase in mobile transaction volumes during the year.

Leveraging on the One Axis strategy we had embarked upon earlier this year, we continue to provide solutions to our clients from across our subsidiaries that have strong positioning in retail businesses like consumer finance, mutual funds, retail broking and digital payments. Given our strong positioning with diversified offerings and well established partnerships in payment space, we also intend to leverage huge customer base for cross selling to these known-to-Bank and NTB customers.

Earlier during the year, we had created a dedicated team focusing on third party products to boost the Bank's fee from distribution while offering product choices to our customers. The Bank has also increased focus on retail forex products and has seen good penetration among its existing clients. Our new partnership with Bajaj Allianz and strategic joint venture with Max Life are likely to help us deliver more value to our customers going forward. Once the COVID-19 situation normalises, the distribution driven fee income should also start to improve, which in the current scenario remains depressed.

Given the current environment, I believe that the banking sector will see challenges with respect to retail asset quality if COVID-19 induced slowdown in economic activity takes longer time to recover. However those with lesser leveraged portfolio, strong relationship with customers, prudent risk management framework and better collections infrastructure would be far better placed than competition.

We had at the start of the year, segregated underwriting and collections from business and have strengthened both of these through the year. Given the signs of economic slowdown visible since the start of fiscal 2020, we had recalibrated our

Leveraging on the One Axis strategy we had embarked upon earlier this year, we continue to provide solutions to our clients from across our subsidiaries that have strong positioning in retail businesses.

For us, sustainability and conservatism continues to remain the most important strategy vector and we would be able to withstand the challenges in the near term considering the conscious portfolio choices we have made in favour of secured nature of lending in the Retail with higher share of salaried and existing to bank customers in the unsecured book.

score cards and reduced the limits across unsecured products like credit cards and personal loans while taking corrective actions cutting down on the risk wherever required some 9-12 months back. Post COVID-19 we have made changes to our incremental sourcing strategy in favour of secured products and will now be based on our 'macro COVID-19 risk model' and 'geography micro segment score'.

As part of the RBI's directive to all lending institutions, we have provided an option to our customers for availing moratorium on payments. During these uncertain times, the trend among customers seems to be to conserve cash; and nearly two thirds of those who have availed of the moratorium had sufficiently higher balances than the EMI amount in their accounts.

In Retail, we continue to have conservative stance on provisioning where we hold higher than RBI mandated provisions in certain

categories of unsecured products. The Bank has over the last year also built additional provisions toward various contingencies including that for COVID-19. The overall additional provisions held by the Bank towards various contingencies together with the standard asset provisions, translate to a standard asset coverage of 1.3% at 31 March, 2020; and does provide strength to the Bank's balance sheet to mitigate the unknown risks emanating from the COVID-19 fallout.

For us, sustainability and conservatism continues to remain the most important strategy vector and we would be able to withstand the challenges in the near term considering the conscious portfolio choices we have made in favour of secured nature of lending in the Retail with higher share of salaried and existing to bank customers in the unsecured book. In the medium to long term, I am confident that the Bank's Retail franchise would continue to deliver sustainable profitable growth without compromising on the risk standards, given the initiatives we have taken during the year.

Warm Regards,

Pralay Mondal
Executive Director,
Retail Banking

Message from Executive Director (Wholesale Banking)



“

We as a Bank have over the last one year taken significant strides in not only de-risking and diversifying the Wholesale book but have also strengthened our position as a full service Wholesale Bank; which places us in a better position for the future.

- Rajiv Anand
Executive Director

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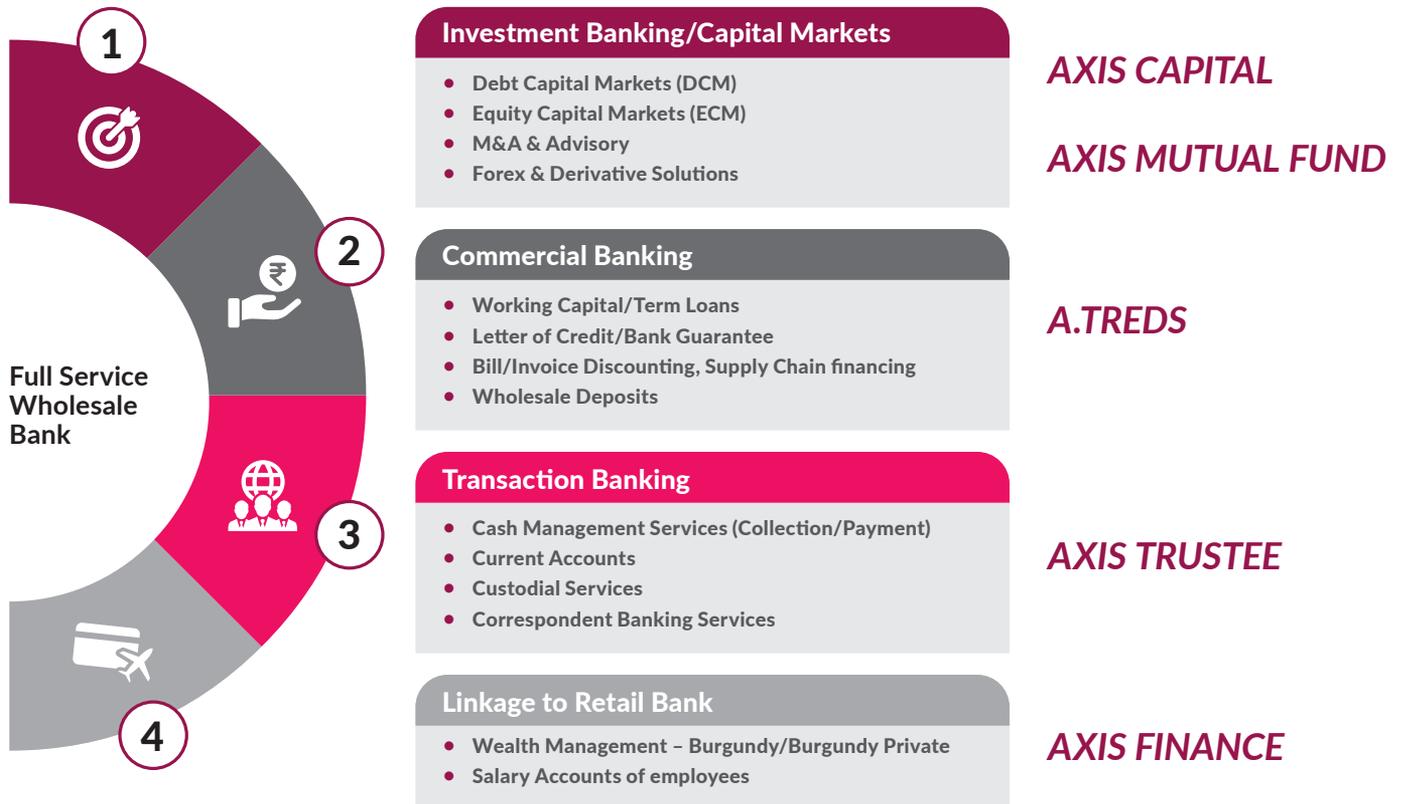
The macro-economic conditions in fiscal 2020 continued to remain uncertain for the Corporate segment with trade wars followed by the global COVID-19 pandemic impacting businesses worldwide. On the domestic front, it was yet another tough year as slowdown in the economy, ongoing deleveraging of the corporate balance sheets along with unforeseen events like corporate frauds continued to weigh on the banking sector performance. As a result, the banking sector credit growth for industrial segment in fiscal 2020 remained muted at 1% as compared to 7% in the previous year.

Even as there wasn't much of private capex investments during the year, the sector saw refinancing led growth from larger companies who have been consolidating their banking relationships and from those bidding for NCLT led resolution cases that has benefitted private banks. Over the last 5 years, the private banks have continued to grow faster than industry, gaining on an average 60-65% incremental market share in advances across the business segments with their better service and offerings.

We as a Bank have over the last one year, taken significant strides in not only de-risking and diversifying the Wholesale book but have also strengthened our position as a full service Wholesale Bank; which places us in a better position for the future.

Aligned to our strategic imperative of profitable and sustainable growth, we had, at the start of the year re-oriented the organisation structure in Wholesale Banking for delivering execution excellence. We

Strong relationship led wholesale franchise driving synergies across One Axis entities



Reliable Partner Throughout the Business Life Cycle

- We have re-oriented Coverage Groups and strengthened Operations & Service Infrastructure
- We have leveraged 'One Axis' to provide comprehensive solutions to clients'.
- We offer on an average 9 products, including at least 2 products from our subsidiaries under 'One Axis' to our large and strategic clients

had segregated the responsibilities of business relationships and product specialists to ensure sharper focus on client coverage and product groups. We now have focused coverage groups not only for large corporates, strategic clients and government, but also for segments like MNCs, financial institutions, mid corporates and commercial banking. For the fiscal 2020, the Bank's domestic corporate growth stood at 13% as we continued to focus on disciplined execution with a higher rigour and rhythm of our strategy to get our fair share of business from customers.

During the year, we continued our focus on de-risking the book by reducing concentration risk and pivoting the same towards better rated entities and groups. As at end of fiscal 2020, the proportion of loans to those rated A- and above stood at 83%, up from 79% in fiscal 2018 and almost all our incremental growth in loans came from 'AAA' and 'AA' rated clients. At the same time, we have pivoted our book towards shorter tenure loans with 38% of the book being of less than a year tenure as compared to 35% at the end of fiscal 2018. We continue to focus on identifying sector specific opportunities and have diversified the

portfolio with strong growth in loans to segments outside top 10 sectors.

The recent COVID-19 pandemic and the resultant lockdown has hit the businesses across sectors hard. The Bank had been proactive to take requisite measures on the operational front and had proactively developed strategies to counter the near term challenges. The Bank had invoked business continuity plan weeks prior to the lockdown and all the business and critical operations, including Treasury were spread over to alternative sites and 'work from home' mode. Post lockdown, our business and

We are entering this COVID-19 led cycle with a much de-risked book in the SME space that is well diversified across sectors and geographies.

treasury teams had been continuously engaging with clients to understand their needs related to funding and transaction support.

We have been working towards strengthening our position as a transactions-led bank with the clients and become their reliable partner through the business life cycle where we can deliver the full capabilities of our group to them. Our Syndication desk is well established in the market and we are ranked as the top arranger of Bonds in the league tables over the last 13 years. Leveraging our leadership position in Debt Capital markets, we have actively participated in the targeted long term repo operations (TLTRO) auctions conducted by the RBI providing liquidity to the well rated corporates at attractive yields.

We have built strong relationships with corporates over the years and have been focusing on deepening relationships with these better rated corporates by increasing our share of their non-credit businesses. Over the last year, we have worked closely as 'One Axis' and have leveraged the leadership position of our subsidiaries like Axis Capital, Axis MF, A.Treds, Axis Trustee and Axis Finance in their respective businesses to offer comprehensive solutions to the clients.

During the year, as a conscious strategy our overseas book as a proportion of overall corporate book has further come down to 14% from 24% two years ago. We have also closed down operations at some of the international offices and we intend to support the Indian Corporates through our Gift City branch and leverage the trade and financial institutions growth

opportunities through our overseas branches in Dubai and Singapore.

We continue to maintain our strong positioning among the leading private sector banks handling the Government Businesses across the country. Our government business is more oriented towards providing solutions, around collections and payments businesses, which has helped us make a very distinct place for ourselves in the industry today. Today, we are one of the leading private sector banks handling the Government Businesses across the country, across Central and State PSUs, Central & State Government Departments, their entities, autonomous bodies, local bodies and educational institutions. The bank is in the forefront of offering solutions in the e-Governance, DBT, Scheme management space right and other business sectors like Agriculture, Urban Local Bodies, Education, and Health etc. spread across Local Bodies and Gram Panchayats. The wholesale deposits of the Bank, where the Government business plays a key role, have grown at 19% during the year on a daily average basis.

In the Commercial Banking segment, we have remained cautious over the last year given the weakness in underlying economy and have been downsizing much in advance. We are entering this COVID-19-led cycle with a much de-risked book in the SME space that is well diversified across sectors and geographies. Over 85% of the SME portfolio is secured, backed by collaterals and 78% of the book is towards working capital financing.

At the start of the year, we had overhauled our risk assessment framework and tightened underwriting standards in the wholesale segment. The credit underwriting function has been taken out from the businesses and has been made an independent function. For the fiscal 2020, 95% of incremental sanctions were to those rated 'A' and above. Also we have reduced concentration risk significantly with total exposure to top 20 single borrowers as proportion of tier 1 capital coming down from 162% in fiscal 2015 to 89% at the end of fiscal 2020.

From a risk mitigation stand point, we have been monitoring the wholesale book rigorously and have carried out stress testing of portfolio to identify borrower segments and sectors that may face incremental stress in the current scenario. Post COVID-19 related lockdown, our business teams had reached out to all the wholesale banking and commercial clients to assess the impact and sustainability of their business models. The trend among corporates seems to be to conserve cash and protect immediate cash flows. However, we expect government to come out with specific fiscal measures for the stressed sectors that will help in gradual improvement in business conditions.

Looking ahead, the private capex seems unlikely to pick up meaningfully in the near term given the capacity utilisation levels have moderated post the COVID-19 crisis. However the better rated corporates with established track record, resilient business models, financial strength and high governance standards would be better placed and should continue to gain share from the smaller corporates, this trend will play out in most organised sectors.

These are exceptionally challenging times and we expect the economy to take time to normalise as all sectors will sooner or later get impacted directly or indirectly. The Bank is entering this phase on the back of significant improvement in the Wholesale book and continued cautious outlook on SME business during the year. I am confident that the changes implemented over the last few years and our strategic priorities towards de-risking and diversifying the wholesale book, while being conservative in our stance on risk and provisioning, have made us more nimble and better positioned to build a sustainable and profitable Wholesale franchise ahead.

Warm Regards,

Rajiv Anand
Executive Director,
Wholesale Banking

Message from Executive Director (Corporate Centre)



“

Our 74,000 plus employees have displayed true commitment and have walked the extra mile to remain fully functional and continue to serve our customers.

- Rajesh Dahiya
Executive Director

”

We are all aware of the unprecedented global and national crisis that has been brought about by the COVID-19 pandemic, which all of us are battling together. Now, we are at the cross-roads of a new phase where economic activities are gradually picking up. I am proud to say that all through these difficult times, Axis Bank has firmly stood by the country as a responsible corporate citizen.

Our 74,000 plus employees have displayed true commitment and have walked the extra mile to remain fully functional and continue to serve our customers. Over 99% of our branches and 96% of ATMs have remained operational, while our employees have continued to reach out to over 3 lakhs customers on a daily basis to understand and serve them in this hour of need.

Axis Bank was well prepared to handle the crisis. We were proactive to recognise the severity of the situation and a senior Central Emergency Response Team (CERT) was activated over a month before the lockdown. This was to ensure business continuity, while taking into consideration the well-being of our employees, customers and other stakeholders.

Even before the lockdown was implemented, the business continuity plan was devised for the Bank and its subsidiaries, testing was completed across all the major centres and infrastructure was beefed up for continuity of operations in case of a lockdown. This led to a smooth transitioning to a new 'Work-from-Home' environment for a majority

of our employees, keeping all the banking services up and running. In branches, we have been taking safety and precautionary measures for all our staff and customers.

The Bank has always considered the physical and psychological well-being of employees and made them aware of the precautions to be taken, issued multiple travel and health advisories and offered them insurance and dedicated doctors' assistance. The Bank has been strictly adhering to its risk management framework and strengthened information security monitoring and cyber security risk measures to mitigate any potential threat.

The Bank continues to place high importance to managing compliance risks in the Bank and its Subsidiaries. With changes in regulatory environment getting more frequent and complex, the Bank's compliance department has been more actively involved in implementing a group level governance and compliance culture. During the year, the Bank defined several guidelines and processes for employees to conform to our 'Basic Responsibility Framework' and reinforce the culture of ethics and compliance in dealing with clients and other stakeholders.

During the lockdown, the Bank's mandated large scale work from home has been one of the biggest in the domestic banking industry. Over 9,000 Virtual Private Network (VPN) connections were provided to employees with accessibility to 483 applications, to ensure 100% of all critical activities getting executed seamlessly. The Bank also enabled its internal 'One Axis' App along with the Microsoft Teams App for its employees to collaborate and work effectively.

With a young workforce averaging around 31 years, we have been focusing to keep our employees motivated, engaged and capable of delivering on the organisational goals. During the lockdown phase, we also had multiple employee-connect initiatives with the Bank's senior management interacting with the

We are now looking to transform the way we work and exploring the option of employees working remotely for two to five days a week from home, depending on the criticality of the business function.

employees online to motivate them and maintain the rhythm around work from home.

At Axis, we believe that on demand, role-relevant, modular learning will bring in transformational results. Our learning pedagogy is a good mix of e-learning along with classroom programmes. Our top talent has exclusive access to customised learning solutions across 1,500 best-in-class e-learning courses. With a comprehensive library of courses available at their fingertips, the initiative truly democratised learning to result in 5,000+ hours of learning till date. Through the year, we have worked towards promoting meritocracy and a performance-centric work culture, and launched several employee initiatives to foster a sense of ownership and greater alignment with the Bank's overall strategy.

Our values act as a guiding force in our strategy and hence in October, we launched a prestigious programme of 'Axis Values Realizers' to identify a network of 950 Axis Role Models who will passionately drive the shift from merely knowing to living our values, every day. The journey opened the doors to numerous exemplary and heart-warming stories, culminating in numerous winning stories recognised at the Axis Champion Awards 2020.

We are now looking to transform the way we work and exploring the option

of employees working remotely for two to five days a week from home, depending on the criticality of the business function. We believe we would be able to redefine the work culture and would not only be able to attract varied talent pool breaking geographical boundaries, but also enhance employee efficiency and work-life balance.

Axis Bank remained one of the largest employers in the country with focus on gender diversity and inclusion. During the year, the new hirings both on a gross and net basis were higher compared to the previous fiscal year, as we continued to strengthen capabilities in critical functions and subsidiaries. During the year, we revamped our internal job portal 'Catalyst' that empowers employees to manage their own careers and provide opportunities for them to make a move within the Axis Group to their next desired career milestone. The Bank is among the few in the industry to have gone ahead with yearly appraisals and provide variable pay-outs to all employees upto middle management roles during these trying times.

As a new-age Bank, we continue to make investments in strengthening our information technology and cyber security competencies while building new capabilities in digital and customer excellence. We now have a separate digital team of highly skilled people with separate infrastructure and set-up in Mumbai. The team is currently working on several digital garages that are likely to simplify customer journeys and improve customer experience.

Following a Lean and Six Sigma philosophy, our dedicated team of process quality experts, have also undertaken and executed large number of process transformation projects with a view to improve turn-around-times, process efficiencies, productivity and operational capabilities for improved customer experience.

All these digital transformations at the Bank are not only going to help us streamline our processes and

serve our customers better, but also grow the business manifold and provide new world skills and tools to our employees.

During the year, we implemented a uniform visual brand identity for the Bank and its subsidiaries to drive consistency and strengthen the ethos of 'One Axis' across the Bank's retail, digital and offline touch-points. 'Dil Se Open' our new brand philosophy launched earlier this calendar year, also builds on the value of customer centricity that each of our employees display while interacting with customers. In the last 26 years of our journey, our employees have been the Bank's strongest assets and true ambassadors, reflecting our core values of customer centricity, integrity and ethics in all our actions. The Bank has always stood by its customers not only to meet their financial needs and fulfil their dreams, but also contribute significantly towards sustainable economic and social development of the communities around us.

We have always believed that the communities where we serve are our critical stakeholders and significantly contribute to our success. The Bank continued to play its part in sustainable development of the communities and environment. It has set aside an amount of ₹100 crores for fighting the COVID-19 pandemic and supporting the cause of its stakeholders and community at large. The Bank's employees have contributed a part of their salaries towards the PM CARES Fund.

In the last 26 years of our journey, our employees have been the Bank's strongest assets and true ambassadors, reflecting our core values of customer centricity, integrity and ethics in all our actions.

During the year, we implemented a uniform visual brand identity for the Bank and its subsidiaries to drive consistency and strengthen the ethos of 'One Axis' across the Bank's retail, digital and offline touch-points.

We have been working with various government agencies, police departments and others to support them directly through hand sanitisers and masks, thermal guns, PPE masks and gloves. Axis Bank Foundation has supported distressed people in 7 cities by providing grocery kits to them with the help of credible NGOs. Earlier this financial year, under Axis 'Sahaayata' project, the Bank provided relief kits to cyclone affected individuals in Odisha and to those impacted by floods in Assam, Bihar, Karnataka and Kerala, collectively supporting close to 38,000 individuals and families.

Axis Bank Foundation has continued its initiatives to empower the marginalised poor and provide them the opportunity to move up the social, economic and ecological barriers. The foundation is currently working with 7 lakhs families to build their skills and earn their own livelihoods, while also offering them access to government schemes and formal credit, thus ensuring long-term sustainability. The Foundation is now targeting a sustainable impact by reaching out to 2 million families by 2025.

Recently, the Bank concluded its CSR programme 'Axis DilSe', that was initiated with an objective to transform over 100 primary schools in the remote villages in Leh and Kargil districts of the Union Territory of Ladakh over a period of three years. We are very excited to take forward Axis DilSe to other remote corners

of the country, and aim to launch it in the state of Manipur in the next financial year.

The Bank remains committed to serve our external stakeholders – customers and community, while ensuring progress of our internal stakeholders – our employees - our most prized assets. As we expect these unprecedented times to settle down, we stay committed to follow all precautions and ensure a smooth transition to the 'new normal' which includes enhanced health and safety arrangements at all our offices, a boundary-less workspace model and establishing new work behaviours of ownership and productivity.

By staying true to our values, and continually investing in building newer capabilities, Axis is positioned well to become the Bank of choice for all. The challenges as well as opportunities ahead are huge, and we are committed to investing in our people and capabilities to connect insights to decisions and processes to outcomes.

On behalf of the Board of Directors of Axis, I want to thank you for your continued trust, confidence, and support. Together, at Axis Bank, we will weather the storm and come out stronger than ever. Stay healthy, stay safe!

Warm Regards,

Rajesh Dahiya
Executive Director,
Corporate Centre

Board of Directors



Rakesh Makhija
Chairman



Amitabh Chaudhry
Managing Director & CEO



Rohit Bhagat
Independent Director



S. Vishvanathan
Independent Director



Ketaki Bhagwati
Independent Director



B. Babu Rao
Nominee Director



Stephen Pagliuca
Nominee Director



Girish Paranjpe
Independent Director



Rajiv Anand
*Executive Director
(Wholesale Banking)*



Rajesh Dahiya
*Executive Director
(Corporate Centre)*



Pralay Mondal
*Executive Director
(Retail Banking)*

Core Management Team

As on 28 April, 2020

Deepak Maheshwari

Group Executive & Chief Credit Officer

Ganesh Sankaran

Group Executive - Wholesale Banking Coverage Group

Naveen Tahilyani

Group Executive - Banking Operations & Transformation

Himadri Chatterjee

President - Retail & Wholesale Banking Operations

Rudrapriyo Ray

President & Chief Compliance Officer

Sanjay Silas

President - International Banking

Akshaya Kumar Panda

President - Large Corporate Coverage

Prashant Joshi

President - Large Corporate Credit

Balaji N

President - Business Intelligence Unit

Jagdeep Mallareddy

President - Retail Lending

Ravi Narayanan

President - Branch Banking

Neeraj Gambhir

President - Treasury & Markets

Puneet Sharma

President & Chief Financial Officer

Vivek Gupta

President - Wholesale Banking Products

Girish V. Koliyote

Company Secretary

Statutory Auditors

M/s Haribhakti & Co. LLP
Chartered Accountants

Secretarial Auditors

M/s BNP & Associates
Company Secretaries

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot Nos. 31 & 32
Financial District, Nanakramguda
Serilingampally Mandal
Hyderabad, Telangana - 500032
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Tel. No.: +91 40-6716 2222
Fax No.: +91 40-2300 1153

Registered Office

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Tel. No.: 079-66306161
Fax No.: 079-26409321

Corporate Office

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

Email

shareholders@axisbank.com

Website

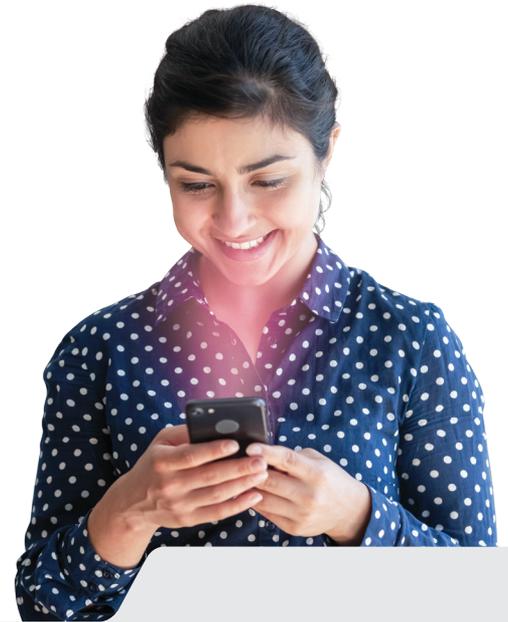
www.axisbank.com

Business Highlights

Progress during the year

DIGITAL BANKING

- Market share across payment channels stood at - GST 9%, RTGS 6.2% and NEFT 10.9%
- Emerged second largest payment system player with over 19 crores transactions a month
- Cash Management Services throughput stood at ₹102 trillion
- Started fixed deposit account opening through digital mode in quick time and with zero issuance fees, an industry first
- Witnessed 1.7 lakhs+ downloads of mobile banking application for corporate payments. Over 4,500 average daily login with ~20% of the total transactions, approved on the new Corporate Internet Banking mobile application
- Launched Axis Voice Banking on Alexa to assist customers to know their account balance and credit card bill through voice command



RETAIL LENDING

- 478 branches opened, highest in any fiscal year
- 47% of overall Retail book is sourced through branches
- 80% of overall sourcing is from ETB customers, based on count
- Launched Axis Bank Flipkart Credit Card, Axis Bank Magnus Credit Card, Burgundy Private One card and cobranded credit card with Indian Oil Corporation and Freecharge
- Secured lending stood at 80% of the book, dominated by vanilla home loans at 35%
- Entered into definitive agreements to become joint venture partner in Max Life Insurance Company Limited
- Sourced 45% of credit cards through paperless digital platforms



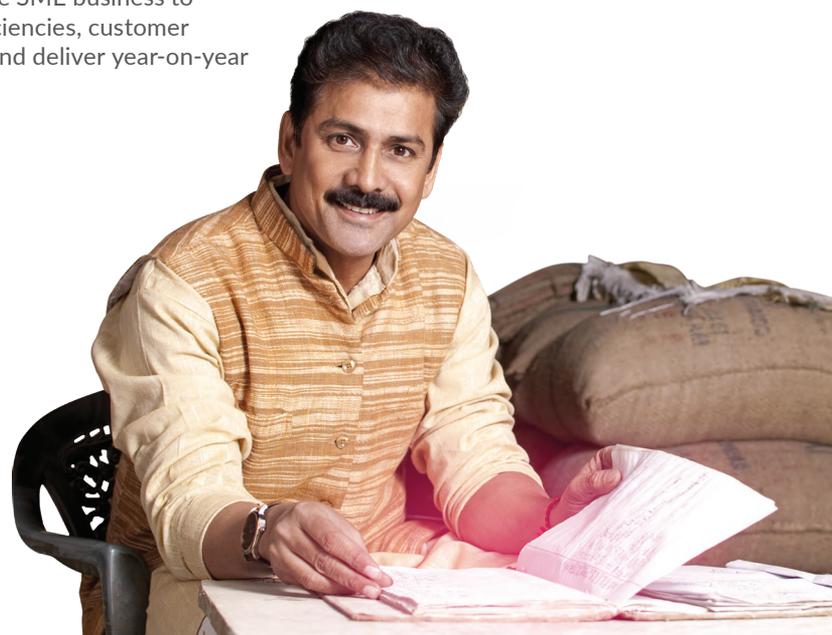
TRANSACTION BANKING

- Introduced 'One Connect', an industry-first offering in collaboration with Invoicemart that allows customer to better manage liquidity
- Awarded the mandate of PM Cares Donation Fund and other State level COVID-19 Donation drive; the Bank has activated various digital mode of payments and collected over ₹130 crores till end of April 2020
- Ranked 3rd in terms of FASTag issued
- Designed a first-of-its-kind Smart City Solution under Smart Cities, a powerful platform for citizens and city administration to interact and transact



WHOLESALE BANKING

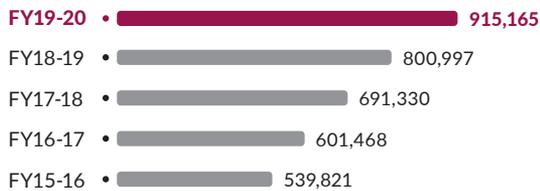
- Ranked number one arranger for rupee denominated bonds as per Bloomberg for calendar year 2019
- 95% of incremental sanctions in corporate book were to those rated 'A' and above
- Witnessed strong growth in loans to 'AAA' and 'AA' rated clients
- 83% of outstanding standard corporate book is to companies rated 'A-' and above
- CBG book is very well diversified across the geographical regions and consists of 35 broad sectors
- Implemented Project Sankalp to transform the SME business to improve efficiencies, customer experience and deliver year-on-year growth



Key Performance Indicators

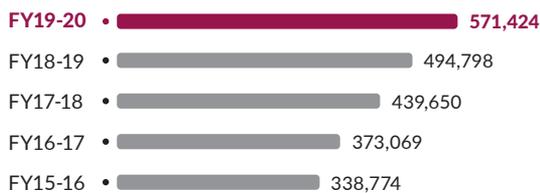
Delivering with resilience

Total Assets/Liabilities ₹ in crores



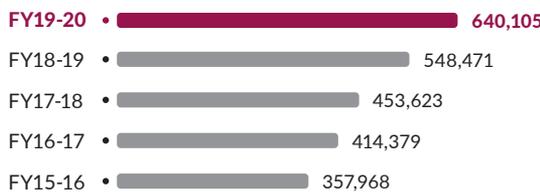
14% ⬆ y-o-y 15% ⬆ 5 - year CAGR

Total Advances ₹ in crores



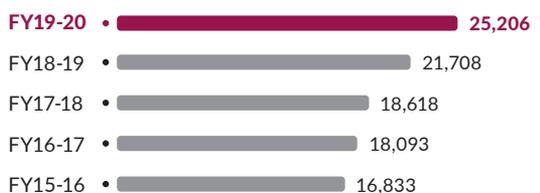
15% ⬆ y-o-y 15% ⬆ 5 - year CAGR

Total Deposits ₹ in crores



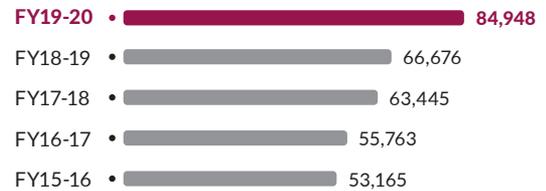
17% ⬆ y-o-y 15% ⬆ 5 - year CAGR

Net Interest Income (NII) ₹ in crores



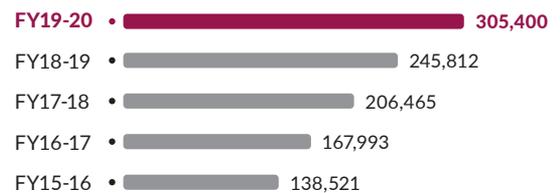
16% ⬆ y-o-y 12% ⬆ 5 - year CAGR

Shareholder's Funds ₹ in crores



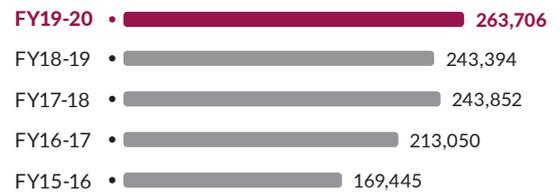
27% ⬆ y-o-y 14% ⬆ 5 - year CAGR

Retail Advances ₹ in crores



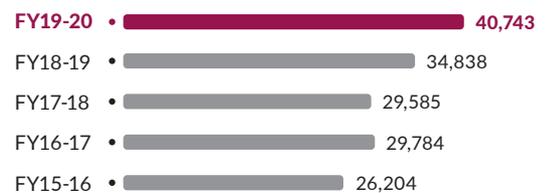
24% ⬆ y-o-y 22% ⬆ 5 - year CAGR

CASA ₹ in crores



8% ⬆ y-o-y 13% ⬆ 5 - year CAGR

Operating Revenue ₹ in crores



17% ⬆ y-o-y 13% ⬆ 5 - year CAGR

Operating Profit

₹ in crores

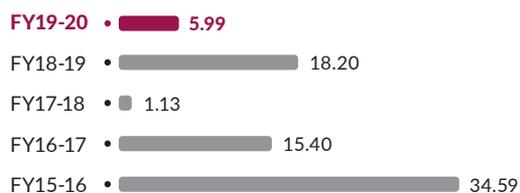


23%
⬆️ y-o-y

12%
⬆️ 5 - year CAGR

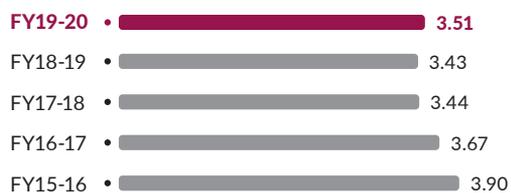
Earnings Per Share (Basic)*

₹



Net Interest Margin (NIM)

%



Financial Ratios

%

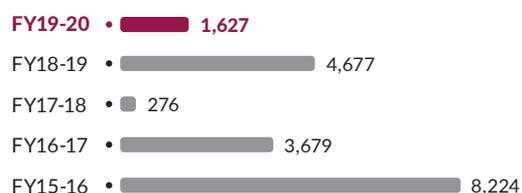
	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
Return on Equity	17.49	7.22	0.53	8.09	2.34
Return on Assets	1.72	0.65	0.04	0.63	0.20
Capital Adequacy Ratio	15.29	14.95	16.57	15.84	17.53
Tier - I Capital Adequacy Ratio	12.51	11.87	13.04	12.54	14.49
Cost: Asset Ratio	2.04	2.13	2.17	2.13	2.09

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

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

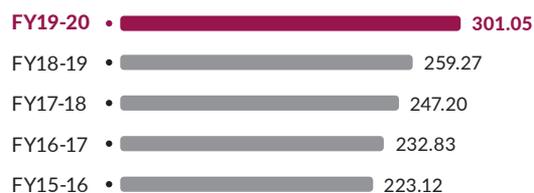
Net Profit

₹ in crores



Book Value Per Share*

₹

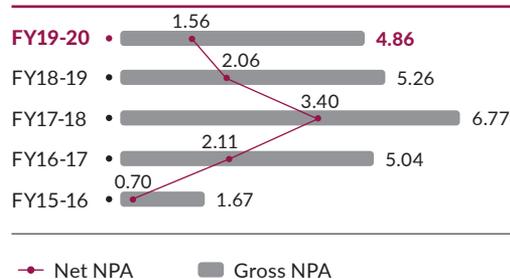


16%
⬆️ y-o-y

10%
⬆️ 5 - year CAGR

Gross/Net NPA ratio

%



— Net NPA ■ Gross NPA

experience open

While scale, stature, presence, products and technology are evident manifestations of Axis Bank, one characteristic that binds all and transcends everything else is that we are an institution that is warm, friendly, empathetic and accessible to customers and all other stakeholders.



Open to delighting
CUSTOMERS



Open to
INNOVATIONS



Open to a stronger
WORKFORCE



Open to building
COMMUNITIES



Experience Open

Open to delighting customers

Aligned to emerging trends in the banking and financial services sector, we are implementing best-in-class digital interventions to enrich customer experience.

GETTING THINGS FIRST TIME RIGHT

We have inculcated 'first time right' approach by building system-based validations, which ensure that appropriate balances/ checks are conducted in real time to avoid rejections.



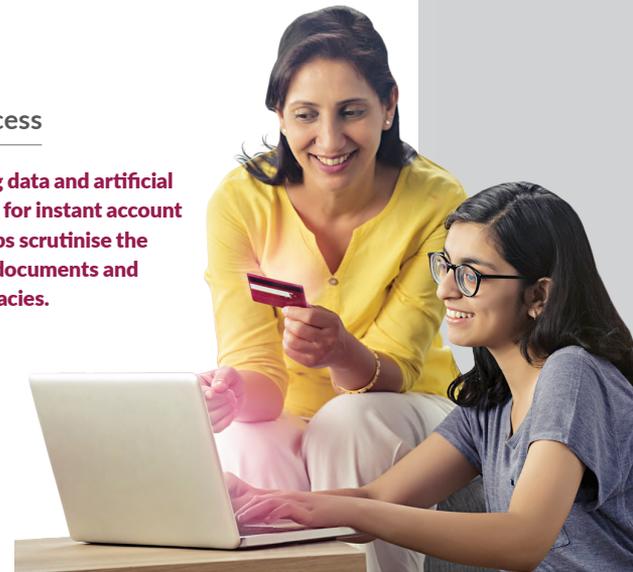
BRINGING LARGE-SCALE DIFFERENTIATION

- Best-in-class bots for first level self-service interactions and voice bots for interactive voice response (IVR) eliminating wait time
- Enhanced use of machine learning/analytics to ensure auto-tagging of interactions
- Enriching service landscape by using natural extension of customer habits like Whatsapp Bot and Facebook/Instagram Chat Bots; also have email Bot for servicing and banking
- Real-time Speech Analytics for phone banking, helping us identify potentially damaging conversation between the agent and the customer
- Introduced instant debit or credit card printing facility and platform for pre-booking appointment to visit branch or for doorstep services



Smarter process

We leverage big data and artificial intelligence (AI) for instant account opening. AI helps scrutinise the uploaded KYC documents and detects inaccuracies.



ENSURING CONSISTENT EXPERIENCE ACROSS CHANNELS

- Implemented 'Straight Through Process' at front-end teams, eliminating multiple hand-offs by automating certain operations
- Created unified front-end 'Saksham' for a 360-degree customer view; it acts as a single unified frontend, which connects with peripheral systems
- Introduced 'Single Sign-on' to avoid repeat authentication across applications
- Introduced content management tool to ensure SOPs/guidelines are readily available to front end for better efficiency
- 24x7 digital access, backed by digital experience centre and audio-video interface



Experience Open

Open to innovations

Our customers are always evolving with the changing times. Therefore, we are thinking afresh every time we design new products and services for them and build better value that lasts.



RETAIL FRANCHISE

We have built a strong Retail franchise and offer an extensive range of products, including deposits, retail loans, credit cards, forex cards, insurance, investment products, wealth management and advisory services to cater to a wide customer cross-section.

We are focused on acquiring the right customer for the respective offerings and subsequently increase wallet share through higher customer engagements.

We are focusing on sourcing bulk of our customers digital only and are in the process of enabling digital transactions across all the online channels via mobile app and internet banking platform.

Growing Digital Prominence*

81%

Of all financial transactions were digital

62%

Of savings accounts were sourced through tablets

44%

Personal loans were sourced through digital channels

92%

Growth in registrations on mobile banking

15%

Growth in total registered customers on the internet banking platform

~70%

Of the new digital registration are mobile first

WHOLESALE BANKING

We have re-organised this segment, creating an integrated franchise to cater to a wide range of organisations. Moreover, we have strengthened operations and service infrastructure to enhance our value proposition.

Empowering government entities

Axis Bank offers a wide range of services and solutions to government departments, public sector units (centre and state), autonomous bodies, educational institutions, local governance bodies, special purpose vehicles; and other entities to suit their banking requirements. Customised solutions are provided both in the digital and physical mode for collections and payments through key developmental initiatives, such as Digital India, Direct Benefit Transfer, E-Procurement, E-Mandi, E-Nagarpalika, Online Payment Gateways and other cashless initiatives.

Current Account

Over the last financial year, we have started the journey of digitising the CA onboarding. We are in the process of introducing a tablet-based tool for on-boarding of individual and sole proprietor companies, thereby reducing the manual intervention by 70%. We are working on multiple other initiatives to digitise the CA journey.

Cash Management Solutions

Bank has comprehensive and customisable cash management solutions (payments and collections) that enable faster fund movement by leveraging our extensive branch network and digital assets, such as PayPro, Power Pay, At Par Payment, Dividend/Interest Payment, Power Remote – Remote DD Printing, CMS Power Cheque other than normal payment channels.

Seamless online trade and forex solutions

TFConnect and Online Inward Remittance platforms have made trade and forex transactions easier, open, and accessible to our customers which acts as a one-stop solution to initiate and authenticate trade finance transactions in a paperless environment.



Evolve and grow

Over the last 6 years, the Bank has created a unique platform Evolve – a knowledge sharing and capability building initiative for SMEs. During Fiscal 2019-20, the event was attended by 3,000+ participants, encompassing 35 industry experts who were the speakers at the events, reiterating our purpose of knowledge sharing among our SME customers.

COMMERCIAL BANKING

Our Commercial Banking Group focuses on the SME segment. The product basket includes lending products, such as working capital, term loans, project lending, lease rental discounting and unique and competitive forex, trade and cash management solutions to meet the individual requirements of customers. This ensures efficiency in delivering entire business solutions to the customer at one go.

A new loan on-boarding and approval system is being structured to bring in better controls from a system perspective on TATs, building better underwriting capability based on analytical feed and creating a digital workflow for risk mitigation. A new digital tool is built to provide rich customer insights to relationship managers, enabling them to sell the right product and provide better solutions.



Experience Open

Open to a stronger workforce

We are dedicated to building a strong and talented pool of people across our business segments. Our team travels the last mile to make customers aware that there is always an empathetic, all-weather friend committed to serve.

FUTURE-READY WORKFORCE

The continuous success of any organisation is determined on how well it manages and motivates its people, as well as how it grooms talent and the leadership team. ACElerate, an objective performance management system linked to the performance of businesses identifies and differentiates employees by performance level and concludes with a 2-day tailored training programme.

We have also embarked on curating role-based digital learning journeys and foster a 'driven-to-learn' culture. Strategic partnerships with virtual academia provide our top talent access to a comprehensive library of courses, available on-demand.

13,000+

Employees were a part of the ACElerate learning programmes, strengthening capabilities in credit risk, process excellence and operations



PROMOTE DIVERSITY AND INCLUSION

Our culture is inclusive and respects the contribution of each employee. As on 31 March 2020, Axis Bank's total workforce was 74,140, of which 23% were women employees. They span the organisational hierarchy and geography. To deepen diversity at the mid-senior level, the Bank has recruited 20 women through We Lead, our leadership programme for women, from India's esteemed management institutes. Our new health care programme also extended coverage for partners and LGBT community.



ATTRACT, NURTURE, RETAIN

Aligned to the business strategy of building in-depth customer engagement, we scaled up our talent acquisition mechanism to onboard talent catering to additional footprint of 350 new branches. The Axis Bank Young Bankers and Axis Sales Academy programmes support a pool of entry level talent for our core businesses. The Bank is investing in the skills of the future and building capabilities in digital, engineering, credit analytics and information security.



Experience Open

Open to building communities

For over twenty-five years, we have focused on widening our community interventions and supporting sustainable livelihood creation across the country. By being 'Open' to building deeper relationships with our stakeholders, we contribute to building resilient communities and sustainable local economies. In the true spirit of openness, collaborations remain an integral part of our Corporate Social Responsibility (CSR) approach.



6.92 lakhs

households/trainees
impacted



AXIS BANK FOUNDATION

Axis Bank Foundation (ABF), the Bank's CSR arm, reaches out to millions of households across rural, sub-urban and urban India. ABF's work is around the core theme of 'Sustainable Livelihoods' wherein it works towards creating and strengthening rural livelihoods and imparting skilling to youth, including the differently abled, in rural and peri-urban areas. ABF works with experienced implementation partners with strong expertise in grassroots developmental solutions. Under its Mission 2 Million, ABF is committed to supporting 2 million households by 2025, and has adopted a progressive and knowledge-based approach that is closely aligned to India's developmental priorities. ABF is active in 7,097 villages in 153 districts in 22 states.

DRIVING FINANCIAL INCLUSION AND LITERACY

Our CSR interventions include efforts towards financial inclusion and literacy through both physical and digital interventions, formation and capacity building of women-centric, self-help groups and creation and expansion of rural micro-enterprises.

INCREASING EMPLOYABILITY

In the true spirit of being 'Open', Axis Bank actively supports a greater integration of persons with disabilities into the mainstream workforce and society at large. Its interventions focus primarily on enhancing employability of differently abled youth through specialized skilling interventions, and increasing sensitization on the rights of PwDs in India among various stakeholders.

EMPOWERING THROUGH EDUCATION

In Ladakh, the Axis DilSe initiative enabled the transformation of 100+ government primary schools in the remotest parts of both Leh and Kargil districts, a truly inclusive and contemporary initiative.

BEING THERE WHEN IT MATTERS MOST

In response to the rising incidences of floods and natural disasters in various parts of the country, we launched Axis Sahaayata in 2018 to pro-actively provide relief to disaster victims as well as support the relief and recovery efforts. Through Axis Sahaayata, we have helped secure and rebuild thousands of lives across India.

Axis Bank stands together with the nation in our united battle to combat the COVID-19 pandemic. We have announced setting aside ₹100 crores towards supporting our customers, employees, vendors, government agencies and the community at large in responding to the pandemic. We continue to work directly with communities and vulnerable groups towards supporting their relief and recovery.

ON GROUND INITIATIVES DURING COVID-19

Supporting quarantine centres

- Converting schools, panchayat centres and other public infrastructure into fully equipped quarantine centres for home-bound migrant workers.

Health and hygiene support

- Providing sanitization kits to community members and government agencies
- Providing PPE kits to first responders and other front line worker
- Initiating local production of masks to ensure steady supply

Ration distribution

- Distributing ration kits to food-insecure households
- Providing ration support to vulnerable communities including migrant workers
- Linking people to PDS shops for obtaining rations



A SECURE SOLUTION FOR YOUR BANKING NEEDS

Keeping in mind the need for ensuring social distancing norms during the COVID-19 pandemic, we activated Mobile ATM vans across 8 cities, to ease citizens' access to basic banking facilities. The Vans toured multiple residential areas in these cities, garnering a positive response from all community members.

Through micro-ATMs we facilitated 3.13 lakhs financial transactions for our rural customers totaling ₹64 crores in volume. 5% of these transactions were authenticated through IRIS Scan.



Stories that inspire us

Open is more than a sign on our door

Our people are our brand ambassadors who help customers in their hour of need. They support everyone who comes in through our doors, build lasting bonds and their actions speak the language of empathy.



“Only a few summers back, my wife suddenly fell sick. With my only son abroad, I had nobody around me to help. Those days were very tough for us. Out of panic, I reached out to my Axis Bank Relationship Manager, Pawan Singh. He was very close to me and we shared a cordial relationship. Pawan reached my residence almost immediately and helped me take her to the hospital. During her stay in the hospital, he would check up on me and my wife’s health regularly. He even made arrangements for her chemotherapy with the hospital, besides visiting her twice during the stay! After my wife recovered, I visited the branch, along with her and my son to show my deep appreciation of what the team had done for us, trademarking their ‘dil se open’ style.”

Chetla Branch Customer, Kolkata

“

I was never alone even during a personal crisis.

”

“

Beyond the insurance it was the relationship that saved me.

”

“Memories of the fateful day still haunts me. Last year in August, I suddenly began feeling unwell and had to be hospitalised. My family was not completely able to interpret the formalities involved in the process, having never availed the insurance before. The Branch Head at the Kagal branch assured my family with his knowledge, of cashless facilities for medical tests and subsequent treatment. I was later shifted for surgery to another hospital, where we faced procedural challenges. He stepped in to help us again, connected with concerned hospital authorities and simplified matters for the surgery to be conducted in time. After recovering, I was in tears the first time I spoke to him again and told him no words of appreciation could best describe my gratitude.”

Kagal Branch Customer, Kolhapur

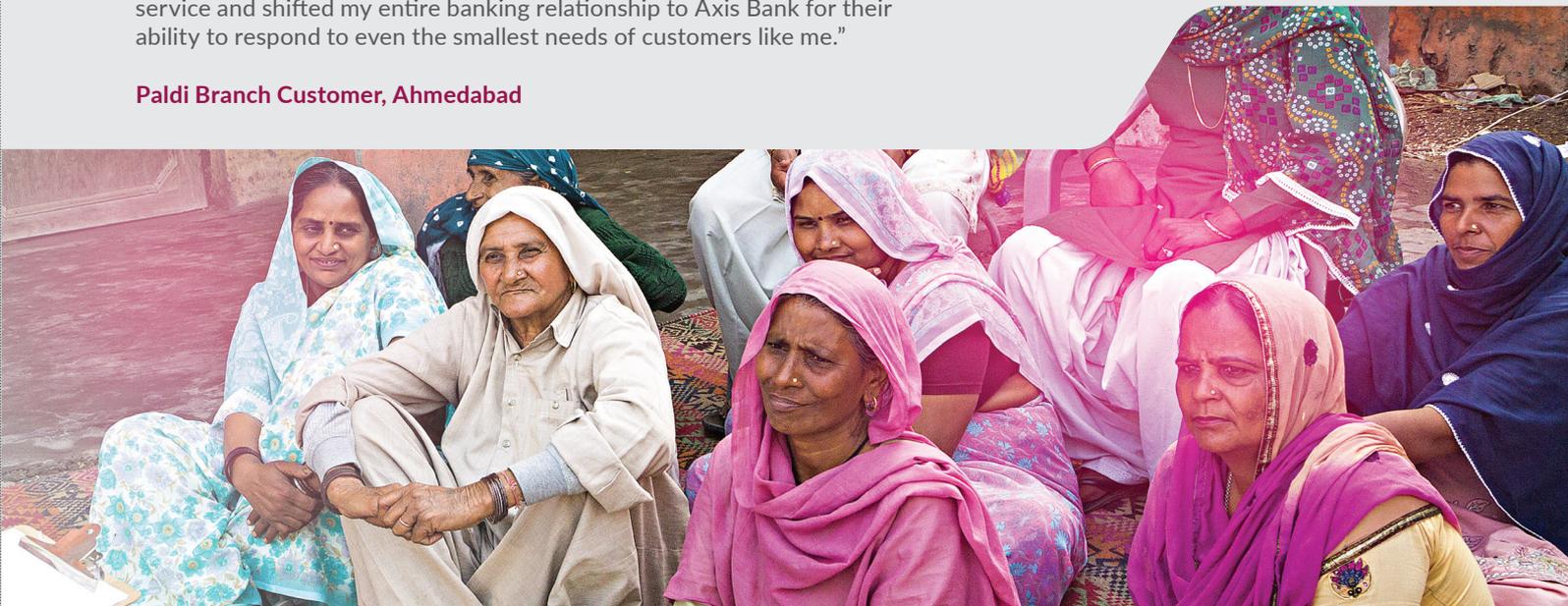
“I will never forget that day. I think it was in the middle of October before Diwali a few years ago, when I suddenly received a text message requesting me to enter the OTP for a transaction I had not initiated. I realised then that my wallet had been stolen, with my debit cards in them. One of the debit cards was of Axis Bank and the other of a peer. I was starting to think that I would lose all my savings. I visited the peer bank first, but since it was after banking hours no one was ready to help me. When I reached my Axis Bank branch at Paldi, however, the guard outside gave my concern a patient ear. Since I was not aware of how to report and block my card online, he directed me inside to an officer, who sensed my distress and assured me that he would immediately help block my card. I told him about my other debit card from a peer bank and he took it upon himself to find the customer support helpline of the other bank and speak to them about my concern. I was delighted with their service and shifted my entire banking relationship to Axis Bank for their ability to respond to even the smallest needs of customers like me.”

Paldi Branch Customer, Ahmedabad

“

My life's savings were saved.

”



“

Now I have more control over my finances and can't be deceived.

”

“It happened around three years ago. Being a member of Krishna Self Help Group, we earn our livelihood by producing infant food and further selling it to an NGO. We are mostly occupied with our day-to-day work, and the task of managing our finances and collecting payments from the NGO was delegated to a few chosen individuals designated as Location Coordinators (LCs). These individuals were appointed by the NGO and the prevalent practice was for LCs to take pre-signed cheques from us to the bank. The LCs would then collect on our behalf the funds that we received from selling our produce to the NGO. We trusted the LCs completely and such was our reliance on them that we never verified our dues. However, the Bank Manager of Axis Bank soon discovered that the money the LCs withdrew on the SHG's behalf, would never reach us in full. The LCs would always pocket half the money and we were being defrauded by them. The bank manager then came and spoke to us personally to verify if we were getting our rightful share; and made us realise how we were victims of a fraud perpetuated by the LCs. He immediately lodged a complaint, educated us on the right practice and ensured that we received our actual dues. The bank executives assisted us throughout the process and thanks to Axis Bank, I am now confident that we will never be cheated this way again.”

Didwana Branch Customer, Rajasthan

Awards and Accolades

Being open has its rewards



Dun & Bradstreet BankTech Awards -
Best Use of IT and Risk Management



ET BFSI Excellence Awards -
Customer Engagement Initiative of the Year



ET Brand Equity Shark Awards -
Best use of Experiential Events



ET Government - DigiTech Conclave and Awards -
Best Mobile App for Citizen Centric Services



Finance Asia Country Awards -
Best DCM House



Finnoviti Awards -
Innovation

Directors' Report

The Board of Directors of the Bank (the Board) have the pleasure of presenting the 26th Annual Report of the Bank together with the Audited Statement of Accounts, Auditors' Report and the Report on the business and operations of the Bank, for the financial year ended 31st March 2020.

Financial Performance and the State of the Bank's Affairs:

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

(₹ in crores)			
Particulars	2019-20	2018-19	Growth
Deposits	640,105	548,471	17%
• Savings Bank Deposits	173,592	154,129	13%
• Current Account Deposits	90,114	89,265	1%
Advances	571,424	494,798	15%
• Retail Advances	305,400	245,812	24%
• Non-retail Advances	266,024	248,986	7%
Total Assets/Liabilities	915,165	800,997	14%
Net Interest Income	25,206	21,708	16%
Other Income	15,537	13,130	18%
• Fee Income	11,019	10,127	9%
• Trading Profit ⁽¹⁾	2,420	971	149%
• Misc. Income	2,098	2,032	3%
Operating Expenses	17,305	15,833	9%
Operating Profit	23,438	19,005	23%
Provision for Tax	3,277	2,297	43%
Other Provisions and Write offs	18,534	12,031	54%
Net Profit	1,627	4,677	(65%)
Balance in Profit and Loss account brought forward from previous year	24,323	23,043	
Amount Available For Appropriation	25,950	27,720	
Appropriations			
Transfer to Statutory Reserve	407	1,169	
Transfer (from)/to Investment Reserve	-	(103)	
Transfer to Capital Reserve	341	125	
Transfer to Reserve Fund	1	1	
Dividend paid (includes tax on dividend)	289	-	
Transfer to Investment Fluctuation Reserve	328	600	
Surplus carried over to Balance Sheet	24,585	25,928	

(1) Excluding Merchant Exchange Profit

Key Performance Indicators

Key Performance Indicators	2019-20	2018-19
Interest Income as a percentage of working funds*	7.56%	7.38%
Non-interest Income as a percentage of working funds*	1.87%	1.76%
Net Interest Margin	3.51%	3.43%
Return on Average Net Worth	2.34%	8.09%
Operating Profit as a percentage of working funds*	2.83%	2.55%
Return on Average Assets	0.20%	0.63%
Profit per Employee**	₹ 2.40 lakhs	₹ 7.61 lakhs
Business (Deposits less inter-bank deposits + Advances) per employee**	₹ 17.27 crores	₹ 16.53 crores
Net non-performing assets as a percentage of net customer assets***	1.56%	2.06%

* Working funds represent average total assets.

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

*** Customer assets include advances and credit substitutes.

Previous year figures have been re-grouped wherever necessary

Statutory Reports

Directors' Report

Covid-19 Pandemic

The Bank has undertaken proactive steps right from the inception of the COVID – 19 Pandemic crisis. The framework of proactive action has been focused on reducing the heightened risks arising out of the COVID – 19 Pandemic, across all facets of risks impacting the business, safety of staff and business continuity from operational risk, likely impact on asset quality from credit risk, trading risk due to sharp change in underlying risk factors in the investment book, liquidity pressure owing to change in the perception of borrower on cash flows as well as deposit withdrawals, owing to disruptions under civic lockdown etc.

The actions have been taken on the following five fronts:

- i. Protecting people – issuing and implementing advisories around staff health, hygiene in office premises, quarantine and social distancing etc.
- ii. Ensuring continuity – testing and deploying business continuity plans, including driving and scaling up work-from-home initiative.
- iii. Protecting operations – putting in place additional controls and monitoring around key operational risk parameters that could see an increase in a lockdown and work-from-home environment.
- iv. Maintaining liquidity – enhanced monitoring of liquidity position and deposit withdrawals to take pre-emptive action.
- v. Conserving capital – credit advisories around originating and disbursal of new exposures with enhanced monitoring of existing vulnerable credit exposure.

The governance around the above has been put in place under the aegis of a Central Emergency Response Team (CERT) headed by the Executive Director (Corporate Centre) of the Bank, reporting directly to the Management Committee of the Bank. This team has been meeting daily to review the situation in each of the said fronts, on which risk profile would be heightened and take appropriate mitigation measures in response to the situation at the ground level.

CSR Initiatives towards COVID-19 Pandemic

The Bank continues to stand together with the country in its collective battle against COVID-19 Pandemic, and is committed to a multi-pronged response supporting the Bank's customers, employees, business partners, government agencies and the community at large. The Bank is directly supporting government entities towards meeting their urgent equipment and sanitation requirements and under Axis Cares it is supporting nearly 35,000 individuals towards meeting their food requirements for a month.

Towards augmenting the country's collective efforts in fighting the COVID-19 Pandemic, Axis Group has committed to contribute to the PM CARES Fund and to GiveIndia's India COVID Response Fund. In addition, Axis Bank Foundation, the CSR arm of the Bank, is working closely with its implementation partners across India towards augmenting on-ground activities to address the COVID-19 Pandemic related challenges.

Change in the Nature of Business

During the year under review, there has been no change in the nature of business of the Bank.

Capital Structure

Share Capital

During the financial year 2017-18, the Bank had issued 4,53,57,385 convertible warrants convertible into 4,53,57,385 equity shares at a price of ₹ 565.00 per warrant, on a preferential basis. The allottees of the said convertible warrants were entitled to exercise the option of converting one convertible warrant into one equity share of ₹ 2/- each of the Bank, within a period of 18 months from the date of its allotment, i.e. on or before 17th June 2019.

During the year, the Bank allotted 4,53,57,385 equity shares pursuant to exercise of convertible warrants by the allottees of the said convertible warrants. As a consequence, the paid-up share capital of the Bank increased by ₹ 9.07 crores and the reserves of the Bank increased by ₹ 2,551.03 crores after charging off issue related expenses.

During the year, the Bank also raised additional equity capital through allotment of 19,87,28,139 equity shares of ₹ 2/- each of the Bank, pursuant to a Qualified Institutional Placement Issue. Consequently, the total issued and paid-up equity share capital of the Bank increased by ₹ 39.75 crores and the Reserves of the Bank increased by ₹ 12,392.50 crores after charging of issue related expenses. The said funds were raised to enhance the capital adequacy, in accordance with regulatory requirements, to finance the growth strategy and for general corporate purposes, in accordance with applicable law. The Audit Committee of Board of the Bank (Audit Committee) at its meeting held on 22nd January 2020, has reviewed and confirmed that the Bank has utilized the said funds for the above-mentioned purposes and there was no deviation in utilization of the said funds.

During the year, the Bank allotted 59,47,539 equity shares of ₹ 2/- each of the Bank, pursuant to exercise of options by some of its Whole Time Directors/Employees and that of the subsidiary companies of the Bank, under the various Employee Stock Option Scheme(s).

Pursuant to the above allotments, the total issued and paid-up equity share capital of the Bank, as on 31st March 2020 increased by ₹ 50.01 crores to ₹ 564.34 crores, as compared to ₹ 514.33 crores, as on 31st March 2019.

The category wise Shareholding Pattern of the Bank, as on 31st March 2020, was as under:

Sr. No.	Category / Shareholder	No. of Shares held	% of total issued & paid-up Capital
Promoters			
1	Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	12,96,52,427	4.59
2	Life Insurance Corporation of India	25,43,77,246	9.02
3	General Insurance Corporation of India	3,17,15,229	1.12
4	The New India Assurance Company Limited	2,05,91,585	0.73
5	National Insurance Company Limited	5,49,681	0.02
6	The Oriental Insurance Company Limited	49,77,520	0.18
7	United India Insurance Company Limited	9,13,248	0.03
Foreign Investors			
8	Overseas Investors (including FIIs/OCBs/NRIs)	1,44,95,54,331	51.37
9	Foreign Direct Investment (GDR)	5,48,68,145	1.94
Domestic Financial Institutions			
10	Financial Institutions / Mutual Funds / Banks / NBFC / INC / AIF	64,31,64,609	22.79
11	Others	23,13,13,913	8.21
Total		2,82,16,77,934	100.00

Debt Capital

During the year, the Bank issued and allotted 41,750 Senior Unsecured Redeemable Non-Convertible Debentures of face value of ₹ 10 lakh each, aggregating to ₹ 4,175 crores, on a private placement basis. The said Debentures were issued for enhancing long term resources for funding infrastructure projects and affordable housing. The Audit Committee at its meeting held on 28th April 2020, has reviewed and confirmed that the Bank has utilized the said funds for the above-mentioned purposes and there is no deviation in utilization of the said funds.

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

Depository Receipts

The Global Depository Receipts (GDR) issued by the Bank are listed on London Stock Exchange.

The Bank has paid the listing fees to the said Stock Exchanges, in respect of the above securities, for the financial year 2019-20.

Dividend

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Bank has formulated and adopted a Dividend Distribution

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Policy with the objective of providing clarity to its stakeholders on the profit distribution strategies of the Bank. During the year, the said Policy was reviewed by the Board and the same has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>.

The Diluted Earnings Per Share (EPS) of the Bank for the financial year 2019-20 stood at ₹5.97 per equity share of ₹ 2/- each as compared to ₹ 18.09 per equity share of ₹ 2/- each in the previous financial year.

The Reserve Bank of India, vide its circular dated 17th April 2020, has advised that banks shall not make any further dividend pay-outs from profits pertaining to the financial year ended 31st March 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19 Pandemic. Accordingly, the Board of Directors of the Bank has not proposed any dividend for the year ended 31st March 2020.

Deposits

Being a banking company, the disclosures relating to deposits as required under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Companies Act, 2013, are not applicable to the Bank.

Ratings of Various Debt Instruments

The Senior Unsecured Redeemable Non-Convertible Debentures (Series 5) issued and allotted by the Bank, on a private placement basis, during the financial year 2019-20, were rated "CRISIL AAA" by CRISIL Ltd. and "ICRA AAA" by ICRA Ltd.

The Bonds issued and allotted by the Bank under the MTN programme, on a private placement basis, during the financial year 2019-20, were rated "BBB-" by Standard & Poor's.

The details of all credit ratings obtained by the Bank along with any revisions thereto, during the financial year 2019-20, for all the debt instruments outstanding as on 31st March 2020, is disclosed in the Corporate Governance Report, forming part of this report.

Board of Directors

During the year, the following changes took place in the composition of the Board:

- Dr. Sanjiv Misra ceased to be the Non-Executive (Part-Time) Chairman of the Bank, pursuant to completion of his tenure, with effect from the close of business hours on 17th July 2019. In light of the above, Dr. Sanjiv Misra decided not to continue as an Independent Director of the Bank for the remainder of his tenure and accordingly resigned as the Independent Director of the Bank, with effect from the close of business hours on 17th July 2019. In accordance with Clause 7B of Schedule III, Part A of the Listing Regulations, Dr. Sanjiv Misra confirmed that there was no other material reason for his resignation, other than the above. The Board acknowledges the invaluable contributions rendered by Dr. Sanjiv Misra during his tenure as an Independent Director of the Bank and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/ Committee of the Bank and for his leadership, as the Non-Executive (Part-Time) Chairman of the Bank.
- Shri Rakesh Makhija, Independent Director of the Bank, was appointed as the Non-Executive (Part-Time) Chairman of the Bank, for a period of 3 (three) years, with effect from 18th July 2019 upto 17th July 2022 (both days inclusive), in terms of the approval granted by the Reserve Bank of India (RBI) and by the Shareholders of the Bank at the 25th Annual General Meeting held on 20th July 2019.
- Prof. Samir Barua ceased to be an Independent Director of the Bank, with effect from the close of business hours on 21st July 2019, upon completion of the maximum permissible tenure of 8 (eight) continuous years, in terms of the provisions of Section 10A (2A) of the Banking Regulation Act, 1949. The Board acknowledges the invaluable contributions rendered by Prof. Samir Barua during his tenure as an Independent Director of the Bank and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/ Committees of the Bank.
- Shri Pralay Mondal was appointed as the Executive Director (Retail Banking) of the Bank, for a period of 3 (three) years, with effect from 1st August 2019 upto 31st July 2022 (both days inclusive), in terms of the approval granted by the RBI and the Shareholders of the Bank at the 25th Annual General Meeting held on 20th July 2019.

- Shri Rajiv Anand, Executive Director (Wholesale Banking) and Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank, were re-appointed as the Executive Director (Wholesale Banking) and Executive Director (Corporate Centre) of the Bank, respectively, for a further period of 3 (three) years, with effect from 4th August 2019 upto 3rd August 2022 (both days inclusive), in terms of the approval granted by the RBI and the Shareholders of the Bank at the 25th Annual General Meeting held on 20th July 2019.
- Shri Som Mittal ceased to be an Independent Director of the Bank, with effect from the close of business hours on 21st October 2019, upon completion of the maximum permissible tenure of 8 (eight) continuous years, in terms of the provisions of Section 10A (2A) of the Banking Regulation Act, 1949. The Board acknowledges the invaluable contributions rendered by Shri Som Mittal during his tenure as an Independent Director of the Bank and places on record its deep appreciation for the insightful perspectives and suggestions provided by him at the meetings of the Board/ Committees of the Bank.
- Smt. Usha Sangwan, Nominee Director of Life Insurance Corporation of India (LIC), Promoter of the Bank, on the Board of the Bank, tendered her resignation as the Non-Executive (Nominee) Director of the Bank, with effect from 12th December 2019. The Board acknowledges the invaluable contributions rendered by Smt. Usha Sangwan during her tenure as the Non-Executive (Nominee) Director of the Bank and places on record its deep appreciation for the insightful perspectives and suggestions provided by her at the meetings of the Board/ Committees of the Bank.
- The Board of Directors of the Bank on 9th December 2019, re-appointed Shri S. Vishvanathan, as the Independent Director of the Bank, for his second term from 11th February 2020 up to 10th February 2023 (both days inclusive) i.e. up to the expiry of his tenure of 8 (eight) continuous years, in terms of the provisions of Section 10A (2A) of the Banking Regulation Act, 1949, taking into account the outcome of his performance evaluation and pursuant to the recommendation of the Nomination and Remuneration Committee of Directors of the Bank (Nomination and Remuneration Committee). The said re-appointment was approved by the Shareholders of the Bank, by means of a Special Resolution, passed through Postal Ballot on 9th January 2020. During the said period, Shri S. Vishvanathan shall not be liable to retire by rotation, in terms of the provisions of Section 149(13) of the Companies Act, 2013.

The Board at its meeting held on 29th April 2020, approved the proposals relating to re-appointment of Directors of the Bank:

- Re-appointment of Shri B. Baburao, as the Non-Executive (Nominee) Director of the Bank, who is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible has offered himself for re-appointment, in terms of Section 152 of the Companies Act, 2013.
- Re-appointment of Shri Rakesh Makhija, as an Independent Director of the Bank, for his second term as such, from 27th October 2020 up to 26th October 2023 (both days inclusive) i.e. up to the expiry of his tenure of 8 (eight) continuous years in terms of the provisions of Section 10A (2A) of the Banking Regulation Act, 1949, Section 149 of the Companies Act, 2013 and the Listing Regulations, subject to the approval of the Shareholders of the Bank, at the ensuing Annual General Meeting by means of a Special Resolution.

The ordinary/special resolution(s) in respect of re-appointment of the Directors, as aforesaid, have been included in the Notice convening the 26th Annual General Meeting of the Bank. Brief profiles of the said Directors have been annexed to the said Notice.

The composition of the Board, is in compliance with the applicable norms.

Selection and Appointment of Directors

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

The Bank has formulated and adopted the Succession Planning Policy for the Board of Directors and Key Officials of the Bank (the Policy). 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 (Part time) Chairman, Independent Directors, Managing Director & CEO (MD & CEO), Whole Time Directors (WTD), Group Executives, Key Managerial Personnel and other Key officials of the Bank, from time to time, to plan for succession of the said roles and any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles, incumbent or named successors, significant changes in role accountabilities, substantive changes in the business parameters and changes to the role holder or successor's aspiration.

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The Policy also seeks to identify the competency requirements for the said positions, the process to identify potential candidates and develop required competencies through planned training, development and learning initiatives and to ensure systematic and long-term development of personnel for taking higher roles and responsibilities at the senior management levels at the Bank or that of its subsidiary companies, which may arise due to impending move or retirement or resignation or sudden exit or for any reason whatsoever, of the role, incumbent or named successors.

The Nomination and Remuneration Committee is responsible to the Board for leading the succession planning process in respect of appointments/re-appointments in respect of Directors, employees in the grade of Senior Management and Key Managerial Personnel of the Bank.

In terms of the Policy, which has been reviewed by the Nomination and Remuneration Committee and by the Board, the succession planning process for the post of the Non-Executive (Part-Time) Chairman/ Independent Director is required to be initiated at-least 9 (nine) months prior to the expiry of their current term or in case of unforeseen circumstances, with immediate effect.

Further, the succession planning process for the post of the MD & CEO/WTD of the Bank is required to be initiated at-least 9 (nine) months prior to the expiry of the current term or the date of retirement or as soon as the Bank is informed of the decision of the MD & CEO/WTD to resign from the services of the Bank or to opt for Early Retirement, as the case may be or in case of unforeseen circumstances, with immediate effect.

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 the appointment/re-appointment of the MD & CEO/WTD of the Bank or in case of a sudden vacancy in the position of MD & CEO/WTD of the Bank, caused due to death or permanent incapacitation or for any other reason whatsoever.

The RBI has vide its circular no. RBI/2019-20/204 DoR.Appt.No.58/29.67.001/2019-20 dated 31st March 2020 on "Appointment of Managing Director and Chief Executive Officer (MD & CEO) / CEO / Part-Time Chairperson (PTC) in Banks - 'Declaration and Undertaking' and allied matters, prescribed new format for declarations/ undertakings to be submitted by the Directors of a Bank. The Bank has accordingly, obtained the prescribed declarations / undertakings from all its Directors, in the revised format.

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

The Nomination and Remuneration Committee also reviews the structure, size, composition of the Board, the regional and industry experience, track record, expertise and other relevant information and documents of all the Directors before making appropriate recommendations to the Board with regard to their appointment / re-appointment, terms and conditions relating to such appointment / re-appointment, including remuneration, designed to enhance the Board's effectiveness and in compliance with the applicable norms. Wherever necessary, the Nomination and Remuneration Committee is authorized to engage the services of an External Consultant(s) / expert in the field of succession planning, to identify and assess the suitability of candidates for the post of a Director of the Bank.

The Nomination and Remuneration Committee takes into account the profile, skill sets, experience, expertise, functional capabilities etc., and identifies potential candidates from diverse backgrounds including but not limited to accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small-scale industry, information technology, core industries, infrastructure sector, payment and settlement systems, human resource, risk management and business

management, thus providing the Board with Members who have diverse knowledge, practical experience and skills, to serve the business interests of the Bank.

Declaration of Independence

All the Independent Directors of the Bank have submitted the requisite declarations stating that they meet the criteria prescribed for independence under Section 149 of the Companies Act, 2013 and Regulation 16 of the Listing Regulations, which were placed before the Board for their review. The Board has confirmed and taken on record the said declaration of Independence provided by the Independent Directors, after undertaking due assessment of the veracity of the same. In the opinion of the Board, the Independent Directors fulfill the criteria prescribed for independence and are independent of the Management.

Certificate from a Company Secretary in Practice

In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, the Bank has obtained a Certificate from BNP & Associates, Practising 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 Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate is annexed as part of this report.

Key Managerial Personnel

Shri Jairam Sridharan, resigned as the Group Executive & Chief Financial Officer (CFO) and Key Managerial Personnel of the Bank, with effect from the close of business hours on 5th March 2020. The Board places on record its appreciation for the invaluable contributions rendered by Shri Jairam Sridharan during his tenure as the Group Executive & CFO of the Bank.

Pursuant to the vacancy caused by the resignation of Shri Jairam Sridharan, as aforesaid, and pursuant to the recommendations of the Nomination and Remuneration Committee and the Audit Committee of the Bank, the Board at its meeting held on 27th February 2020, approved the appointment of Shri Puneet Sharma, as the Chief Financial Officer (CFO) and Key Managerial Personnel of the Bank, with effect from 6th March 2020.

The Board at its meeting held on 29th April 2020, appointed Shri Rajiv Anand, Executive Director (Wholesale Banking), Shri Rajesh Dahiya, Executive Director (Corporate Centre) and Shri Pralay Mondal, Executive Director (Retail Banking) as the Key Managerial Personnel of the Bank, with effect from 29th April 2020, in terms of Section 203(1) read with Section 2(51) of the Companies Act, 2013.

Shri Amitabh Chaudhry, Managing Director & CEO, Shri Rajiv Anand, Executive Director (Wholesale Banking), Shri Rajesh Dahiya, Executive Director (Corporate Centre), Shri Pralay Mondal, Executive Director (Retail Banking), Shri Puneet Sharma, CFO and Shri Girish V. Koliyote, Company Secretary are the Key Managerial Personnel of the Bank, in terms of Section 203(1) read with Section 2(51) of the Companies Act, 2013, and the relevant Rules made thereunder.

Board Performance Evaluation

The Companies Act, 2013 and the Listing Regulations relating to Corporate Governance provides for evaluation of the performance of the Board, its Committees, Individual Directors and the Chairman of a company.

The Nomination and Remuneration Committee is the nodal agency for conducting the said performance evaluation. The Nomination and Remuneration Committee has reviewed and approved the manner for effective evaluation of the performance of the Board, its Committees, its individual Directors and its Chairman and determined the criteria for conduct of such performance evaluation. The manner in which the evaluation has been conducted and the details of the outcome of the board performance evaluation for the financial year under reference, along with the proposed action for implementation by the Bank during the FY 2020-21, is provided in the Report on Corporate Governance, which forms part of this report.

Meetings of the Board/Committees of the Board

The schedule in respect of the meetings of the Board / Committees thereof to be held during the next financial year and for the ensuing Annual General Meeting is circulated in advance to all the Members of the Board. During the year, 10 meetings of the Board were held and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the

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relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations relating to Corporate Governance.

Audit Committee

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

Remuneration Policy

The Bank has formulated and adopted a Comprehensive Remuneration Policy for its Directors, Material Risk Takers, Key Managerial Personnel and other Employees (the Policy), in terms of the relevant provisions of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations relating to Corporate Governance and the Guidelines issued by the RBI, in this regard.

The said Policy was reviewed and approved by the Nomination and Remuneration Committee and by the Board, pursuant to the revised Guidelines dated 4th November 2019 issued by the RBI on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff.

The Nomination and Remuneration Committee reviewed the impact of the revised Guidelines to the said Policy and on the various aspects of the compensation structure such as Fixed Pay, Variable Pay, Stock Options etc. and also *inter alia* took into account, effective alignment of compensation with prudent risk taking, international scenarios, external benchmarks on remuneration trends in the Banking/ NBFC sector in India, implications under tax laws, macro trends relating to employment / remuneration etc. and recommended the same for the approval of the Board.

In terms of the revised Guidelines, which is effective from 1st April 2020, the Bank formulated and adopted Remuneration Policy for Non-Executive Chairman and Non-Executive Directors of the Board and Remuneration Policy for MD & CEO, Whole-time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank.

The details of the said Policy have been disclosed in the Report on Corporate Governance, which forms part of this report. The said Policy has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>, in terms of the Listing Regulations.

Whistle Blower Policy and Vigil Mechanism

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

Subsidiaries, Joint Ventures and Associates

As on 31st March 2020, the Bank has the following eleven unlisted subsidiary companies and one step down subsidiary;

- i) Axis Asset Management Company Ltd. undertakes the activities of managing the mutual fund business.
- ii) Axis Mutual Fund Trustee Ltd. acts as the trustee for the mutual fund business.
- iii) Axis Capital Ltd. provides services relating to investment banking, equity capital markets, institutional stock broking, mergers and acquisition advisory etc.
- iv) Axis Finance Ltd. is an NBFC and carries on the activities of corporate and structural lending, loan against property etc.
- v) Axis Securities Ltd. is in the business of retail broking services.
- vi) A.TREDS Ltd. is engaged in the business of facilitating financing of trade receivables.
- vii) Axis Trustee Services Ltd. is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitisation trusts.

- viii) Freecharge Payment Technologies Private Ltd is in the business of providing Merchant acquiring services, payment aggregation services, payment support services, and business correspondent to a Bank/Financial Institution, distribution of Mutual Funds.
- ix) Accelyst Solutions Private Ltd. is in the business of providing Online marketing and sales promotion solutions, providing facilities to recharge online prepaid, postpaid mobile phones connections, DTH connections and data cards etc., distribution of mutual fund & insurance services.
- x) Axis Bank UK Ltd. is the banking subsidiary of the Bank in the United Kingdom and undertakes the activities of banking.
- xi) Axis Private Equity Ltd. primarily carries on the activities of managing equity investments and provides venture capital support to businesses.
- xii) Axis Capital USA, LLC. is a wholly owned subsidiary of Axis Capital Limited incorporated in USA and provides financial services relating to equity capital market, institutional stock broking to institutional investors in USA.

Merger of Freecharge Payment Technologies Pvt. Ltd. (FCPTL) and Accelyst Solutions Pvt. Ltd (ASPL)

On 27th March 2018, the Board of Directors of ASPL and FCPTL had approved a Scheme for Amalgamation of ASPL into and with FCPTL. ASPL and FCPTL filed the final petition for approval of the said merger before the National Company Law Tribunal ('NCLT'). The appointed date for amalgamation is 7th October 2017 and the effect of the said merger will be given on this date or any other date as may be prescribed by the NCLT. Subsequent to the final hearing in the matter conducted during the year, FCPTL received the copy of the order approved by NCLT, Delhi and the same was filed with the Ministry of Company Affairs, in November 2019. However, in the case of ASPL, NCLT, Mumbai amended the appointed date of amalgamation from 7th October 2017 to 1st April 2018. Since the Scheme of Amalgamation filed by the FCPTL was already approved by NCLT, Delhi with the appointed date of 7th October 2017, the order of NCLT, Mumbai sanctioning the Scheme of Amalgamation could not be implemented due to discrepancy in the appointed date, as aforesaid. Therefore, ASPL is in the process of filing a modification application before NCLT, Mumbai to amend the appointed date from 1st April 2018 to 7th October 2017 as originally and mutually decided by FCPTL and ASPL and as mentioned in the said Scheme of Amalgamation. Accordingly, no accounting impact of the Scheme has been taken in the consolidated financial statements, as at 31st March 2020.

Merger of Axis Finance Ltd. and Axis Private Equity Ltd.

Axis Private Equity Ltd., is in the process of amalgamating with Axis Finance Ltd. and has submitted an application for amalgamation before the NCLT on 13th October 2017. At the last hearing held in February 2020, the NCLT has fixed the matter as "reserved for order" and the order is awaited, as at the Balance Sheet date.

The Bank does not have any associate company. During the year, the Bank has not entered into any joint venture.

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

In accordance with the third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Bank, containing therein its standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto have also been hosted on the website of the Bank <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>.

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

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

Related Party Transactions

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

Transactions entered into by the Bank with related parties in the normal course of its business were placed before the Audit Committee. There were no transactions entered with related parties, which were not in the normal course of the business of the Bank, nor were there any transactions with related parties or others, which were not on an arm's length basis. Accordingly, Form AOC-2 is not applicable to the Bank. A statement giving details of all related party transactions, entered pursuant to the omnibus approval so granted, is placed before the Audit Committee for their review. The Bank has developed a Standard Operating Procedure for the purpose of identifying and monitoring such transactions.

During the year, the Policy on Related Party Transactions has been reviewed by the Audit Committee and the Board and the same has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>, in terms of the Listing Regulations, relating to Corporate Governance.

Employee Stock Option Plan (ESOP)

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

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

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

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

said record date for the purpose of sub-division were proportionately adjusted by dividing the existing grant price by 5. The record date for the said sub-division was 30th July 2014.

Since 24th February 2001 up to 31st March 2020, the Nomination and Remuneration Committee / Board had out of the said 26,50,87,000 stock options, approved the grant of 28,16,13,850 stock options (including 2,80,03,497 stock options which had lapsed and were forfeited) to the eligible Employees/Directors, in terms of the various ESOS of the Bank. The said stock options are non-transferable and vest at rates of 30%, 30% and 40% on each of three successive anniversaries following the date of respective grant, subject to standard vesting and other conditions as set out in the respective ESOS of the Bank. The said stock options are required to be exercised by the concerned eligible Employees/Directors, within a period of three / five years, from the date of its respective vesting, in terms of the respective ESOS of the Bank.

As of 31st March 2020, out of the said 28,16,13,850 stock options so granted 22,88,18,308 stock options have been vested, out of which 20,84,44,468 stock options have been exercised and the balance 2,03,73,840 stock options remain unexercised. Further, 2,47,92,045 stock options remained unvested and 2,80,03,497 stock options had been treated as lapsed and forfeited.

There were no material changes in the Employee Stock Option Scheme(s) of the Bank during the financial year 2019-20 and the same is in compliance with the relevant provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended.

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

Corporate Governance

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

The Quarterly Report on Corporate Governance has been submitted by the Bank to the Stock Exchanges, in terms of Regulation 27(2) of the Listing Regulations, relating to Corporate Governance. The said reports have been uploaded on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>.

The Report on Corporate Governance for the financial year 2019-20 along with the Certificate issued by the Statutory Auditors of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the Listing Regulations, relating to Corporate Governance, forms part of this report.

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

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

The Bank has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during the financial year 2019-20 is disclosed in the Report on Corporate Governance, which forms part of this report.

Directors' Responsibility Statement

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

- a) That in the preparation of the annual accounts for the financial year ended 31st March 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures.

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- b) That such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at 31st March 2020 and of the profit of the Bank for the year ended on that date.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- d) That the annual accounts have been prepared on a going concern basis.
- e) That internal financial controls to be followed by the Bank, were in place and that the same were adequate and were operating effectively.
- f) That proper system to ensure compliance with the provisions of all applicable laws was in place and the same were adequate and operating effectively.

Annual Return

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

Particulars of Employees

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

As on 31st March 2020, the Bank had 88 employees who were employed throughout the year and were in receipt of remuneration of more than ₹1.02 crores per annum and 16 employees of the Bank who were employed for part of the year and were in receipt of remuneration of more than ₹8.50 lakhs per month.

In terms of Section 136 of the Companies Act, 2013, the copy of the financial statements of the Bank, including the consolidated financial statements, the auditor's report and relevant annexures to the said financial statements and reports are being sent to the Members and other persons entitled thereto, excluding the information in respect of the said 104 employees of the Bank containing the particulars as specified in Rule 5 (2) of the said Rules, which is available for inspection by the Members at the Registered Office of the Bank during business hours of the Bank up to the date of the ensuing Annual General Meeting. Any Member interested in obtaining a copy thereof, may write to the Company Secretary of the Bank at its Registered Office or at shareholders@axisbank.com.

Conservation of Energy & Technology Absorption:

Conservation of Energy

Energy and natural resource conservation have been focus areas for the Bank and conscious efforts are being made towards improving energy performance, year on year. For Sustainable Development, Energy efficiency initiatives have been implemented across several branches and offices through energy and resource conservation projects.

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

- i) The steps taken by the Bank, for utilizing alternate sources of Energy:
 - (a) Implementation of Solar energy projects across select Branches / Offices, aggregating ~ 7.05 MW. (Internet of Things) IOT based monitoring of power generated through solar plants across rooftop over 245 branch locations.

- (b) Centralised Energy Management System (CEMS) augmented to 1,493 branches from earlier 893 branches to monitor and control energy consumption.
 - (c) Agreement to Procure Solar power ~1MW (3.50 lakh units p.a.) under Power Purchase Agreement Model for Banks Business Continuity Centre (Data Centre), Bangalore.
 - (d) Replacement of conventional lighting to LED lights in 1,100 existing branches (reducing estimated annual power consumption by 1.5 MW) over and above 250 plus branches already completed in previous fiscal. All new branches/offices are provided with LED light fittings as a standard feature.
 - (e) Implementation of On Grid Inverter Solution to reduce diesel consumption in rural branches augmented to 260 branches from earlier 100 branches. Estimated savings in Diesel consumption works out to ~2.22 lac litres per annum.
 - (f) Conversion of Food/ Wet waste at Axis House, Mumbai, into manure through compost machine for use in landscaping/gardening.
 - (g) Maintenance of unity power factor through APFC panels in auto mode for optimum use of power at Axis House, Mumbai and Noida.
 - (h) Installation of Motion sensors for workstations and common area lighting at Axis House, Mumbai.
 - (i) Re-cycling of Dry waste at Axis House, Mumbai, into stationery items like notepads.
 - (j) Daily re-cycling of 150 KL of water through Sewage Treatment Plant at Axis House, Mumbai.
 - (k) Reduction of water consumption at Axis House, Mumbai through use of aerators.
 - (l) Rain Water Harvesting of ~2000 KL of water yearly at Axis House, Mumbai.
 - (m) Savings of water consumption by use of Bio-blocks in urinals at Select Large Offices.
 - (n) Installation of sensors in washbasins to optimise flow of water at Select Large Offices.
- ii) Capital Investment made on Energy Conservation Equipment:
- (a) Capital Investment incurred of ~₹ 79 Lacs towards implementation of On Grid Inverter across rural Branches.
 - (b) LED light replacement project has been undertaken under amortization model over period of 5 years.
 - (c) CEMS project is on saving and sharing Model basis.
 - (d) Capital investment incurred of ~ ₹ 71.63 Lacs towards implementation of Internet of Thing (IoT) based remote solar monitoring across 245 Branches.

Technology Absorption

- i) The efforts made towards technology absorption:

With the objective of making banking simple and hassle-free for customers, the Bank has undertaken various technology driven business initiatives to deliver value through continuous technology adoption and innovation. During the year, large scale IT transformation was undertaken augmenting the Bank's infrastructure to further build capabilities. The Bank continues to upgrade its core systems for better scalability, stability and enhanced security.

- (a) The Bank's Digital Lending platform has been at the forefront of the digital innovation initiatives enabling quicker adoption of capabilities needed to develop any lending product. The Bank aims to leverage the platform and extend its capabilities across other products like Cards, SME etc.
- (b) By leveraging technology and digitisation to build a "full-stack" digital foundation, the Bank is providing customers with a seamless payment and banking experience. The Bank's Award winning Mobile application is one of the highest rated banking application on Appstore. The Mobile application has been continuously evolving to provide consistent, seamless, intuitive and contextual digital banking offerings.

- (c) Pre-approved customers can now avail ICC, a virtual credit card, which is issued instantaneously. The Bank has partnered with Flipkart and Freecharge to offer instant credit card solution. Additionally, the Bank provides a frictionless and time-saving experience to customers by issuing credit cards through self-service kiosk at select branch locations.
 - (d) The Bank continues to re-invent and re-invest in technologies including mobility, cognitive intelligence, application programming interface (API) banking, RPA and AI/ML to develop winning propositions for its customers. In order to drive seamless integration with partners, Bank's Open API platform has been further enhanced to onboard merchants thereby generating more business and driving volumes. The Bank has future scaled the adoption of robotics process automation and Artificial Intelligence/Machine Learning augmenting operational efficiency, higher accuracy and reduction in processing time while serving customers. To leverage customer's historical behavior and sharpen their product offerings, Bank is upgrading its Big Data Lake platform to provide enhanced analytics and data processing capabilities.
 - (e) The Bank has also embarked on its journey of re-architecting its technology infrastructure to be Cloud native providing the necessary agility, speed and elasticity for scale. To improve Branch network and address infrastructure limitations in remote geographies, the Bank has empanelled multiple national level large reach providers and local broadband providers. The Bank has also invested in software defined data centers and network which will enhance Branch bandwidth exponentially.
 - (f) The Bank pursues 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 with ISO27001 and PCIDSS standards. The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System.
 - (g) Following the present COVID-19 Pandemic situation, the Bank has been committed to provide uninterrupted services to its customers. The Bank has actively encouraged large scale Work-From-Home mandate and has provided all enablement necessary to support its employees to efficiently perform their duties. The Bank has allocated laptops, activated VPN/VDI connections along with application access and triggered enterprise mobility and collaborative tools to all critical employees to enhance productivity and ensure seamless collaboration. The Bank also swiftly made changes necessary for RBI moratorium across all applicable systems.
 - (h) Additionally, the Bank mobilized its service architecture and taskforce to provide necessary support to customers and employees whilst continuing to focus on development efforts of strategic initiatives.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

As organization transitions to a dual-speed structure, the focus is on balancing development of new age products with strengthening of the core applications. The dual-speed structure will address front-end and back-end needs to improve end user experience at the same time improve time-to-market by agile, DevOps methodologies adoption.

In addition to investing in new age products and initiatives as stated above, the Bank has also undertaken several key initiatives to upgrade its core applications like Finacle, FinnOne, Prime among others to help scale up to the requirements. The core infrastructure is also being upgraded to deliver a 24 x 7 availability of services to end users. The Bank is looking at monitoring the performance of all key parameters across applications to ensure a consistent and delightful customer experience. The monitoring also provides insights into improvement areas that will continuously be worked on over a period of time. The Bank is also actively looking at using open technology platforms which provide reliability and agility, which will help reduce the overall cost of licensing and AMS. With Intelligent Automation the Bank has created Bot store and AI model store while automating 300+ processes and 1700+ jobs; thereby benefiting in FTE cost savings, TAT & error reduction and auto scale up/down to manage volume fluctuation.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) The details of technology imported

1. No hardware procurements have been made in foreign currency.
2. Software licenses and upgrades have been procured over the past 3 financial years, detailed as under.

(b) The year of import:

The details for the Financial Years 2017-18, 2018-19 and 2019-20, are provided below:

PO Issue Year	Currency	Paid Amount
FY 17-18	USD	7,34,180
FY 18-19	USD	17,63,702
FY 19-20	USD	3,75,000
Total		28,72,882

(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: NA.

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 Report

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

Risk Management

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

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

Business Responsibility Report

In terms of Regulation 34(2)(f) of the Listing Regulations, top 1000 listed entities based on their market capitalisation as on 31st March every year, are required to submit their Business Responsibility Report (BRR) as a part of their Annual Report. The Bank's BRR describing the initiatives taken by the Bank from an Environmental, Social and Governance perspective has been hosted on the website of the Bank at, <https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report>. Any Member interested in obtaining a copy of the BRR may write to the Company Secretary of the Bank at shareholders@axisbank.com or submit a written request to the Registered Office of the Bank.

Particulars of Loans, Guarantees and Investments

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186 of the Companies Act, 2013, 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 business.

Statutory Reports

Directors' Report

The particulars of investments made by the Bank are disclosed in Schedule 8 of the Financial Statements as per the applicable provisions of Banking Regulation Act, 1949.

Corporate Social Responsibility

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

The Bank has formulated and adopted a CSR Policy, in terms of the provisions of Section 135 of the Companies Act, 2013 and the said Rules. During the year, amendments to the CSR Policy of the Bank, was reviewed and approved by the CSR Committee and by the Board, to bring it in line with the proposed CSR norms. The said CSR Policy has been hosted on the website of the Bank at <https://www.axisbank.com/csr>.

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

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 1st April 2018. Banks were also required to report the comparative financial statements for the financial year 2017-18, to be published along with the financial statement for the year beginning 1st April 2018. However, the RBI in its press release issued on 5th April 2018 deferred the applicability of Ind AS by one year (i.e. 1st April 2019) for Scheduled Commercial Banks. Further, RBI in a circular issued on 22nd March 2019 has deferred the implementation of Ind AS till further notice.

In line with the RBI guidelines on Ind AS implementation, the Bank has formed a Steering Committee comprising members from the concerned functional areas, headed by the Executive Director (Wholesale Banking). A quarterly progress report on the status of Ind AS implementation in the Bank is presented to the Audit Committee. During the financial year 2016-17, 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 advanced stage of implementing necessary changes in its IT system and other processes. The Bank has been holding workshops and training for its staff, which will continue in the current year. The Bank has also submitted to RBI Proforma Ind AS financial statements for the first three quarters of the financial year 2019-20.

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

The Bank is in the process of preparation of proforma Ind-AS financial statements for the year ended 31st March 2020.

Statutory Auditor

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

In terms of provisions of Section 30 of the Banking Regulation Act, 1949, the approval of the RBI is mandatory for appointment of Statutory Auditors of the Bank, every year. The Bank will obtain the requisite approval of RBI for the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Bank, for the financial year 2020-21.

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

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

There are no qualifications, reservations or adverse remarks made by M/s. Haribhakti & Co. LLP, Chartered Accountants, Statutory Auditors of the Bank, in their report.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank had appointed M/s. BNP & Associates, Company Secretaries, Mumbai, to act as the Secretarial Auditor of the Bank, for the financial year 2019-20. The secretarial audit of the Bank was conducted on a quarterly basis in respect of the matters prescribed in the said Rules and as set out in the Secretarial Audit Report for the financial year 2019-20, which is provided as an annexure to this report.

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

In terms of SEBI circular no CIR/CFD/CMD1/27/2019 dated 8th February 2019, relating to Annual Secretarial Compliance Report, the Bank had appointed M/s. BNP & Associates, Company Secretaries, to conduct the Secretarial Compliance for the financial year 2019-20. The Bank will submit the Annual Secretarial Compliance Report to the Stock Exchanges within the prescribed time limit and host the same on its website www.axisbank.com.

Maintenance of Cost Records

Being a banking company, the Bank is not required to maintain cost records under the provisions of Section 148(1) of the Companies Act, 2013.

Reporting of Frauds by Auditors

During the financial year 2019-20, pursuant to Section 143(12) of the Companies Act, 2013, 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.

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

During the financial year 2019-20, 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 its future operations.

Adequacy of Internal Financial Controls Related to Financial Statements

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

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

CEO & CFO Certification

Certificate issued by Shri Amitabh Chaudhry, Managing Director & CEO and Shri Puneet Sharma, President (Finance and Accounts) & CFO of the Bank, for the quarter/ financial year ended 31st March 2020, was placed before the Board at its meeting held on 28th April 2020, in terms of Regulation 17(8) of the Listing Regulations.

Material Changes and Commitments Affecting the Financial Position of the Bank

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

Statutory Reports

Directors' Report

Annexures

The following documents are annexed to the Directors' Report:

- (i) Management's Discussion and Analysis Report of the Bank, for the financial year ended 31st March 2020.
- (ii) Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements as prescribed under the Listing Regulations.
- (iii) Report on Corporate Governance of the Bank for the financial year ended 31st March 2020.
- (iv) Extract of the annual return for the financial year ended 31st March 2020, in form MGT-9.
- (v) Disclosure on remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (vi) Annual Report on CSR activities undertaken by the Bank during the financial year ended 31st March 2020.
- (vii) Secretarial Audit Report of the Bank, for the financial year ended 31st March 2020.
- (viii) Certificate relating to non-disqualification of Directors from being appointed or continuing as Directors, under Regulation 34(3) of the Listing Regulations.

Acknowledgements and Appreciations

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

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

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

For and on behalf of the Board of Directors

Place : Pune
Date : 29th April 2020

Rakesh Makhija
Chairman

Management's Discussion and Analysis

Macro-Economic Environment

Global growth continued to remain weak throughout fiscal 2020. Trade tensions between US and China and resultant slowdown in China negatively impacted growth. Though the temporary resolution with signing of phase one of the US-China trade deal led to a spurt of activity in December and January, the growth once again weakened in the last quarter of the fiscal 2020 on account of the COVID-19 outbreak in China and then globally. While the primary impact of the China outbreak was disruption in value chains, the secondary impact of what has now been classified a global pandemic is only now becoming clear in the scale of disruption caused globally. Governments and central banks have reacted swiftly, using the entire gamut of monetary and fiscal support tools. These will likely remain in effect for some time, with the recovery in growth also likely to be slower and more interrupted than initially anticipated.

The domestic economy was slowing even before the COVID-19 pandemic, with growth weakening steadily since peaking in last quarter of fiscal 2018. While the slowdown was initially linked to credit concerns at NBFCs, weak auto sales and soft capex trends resulted in further weakening of economic conditions. The government had introduced cuts to the corporation tax rate, and as a consequence of this structural reform, has chosen to exceed the budgeted fiscal deficit by 0.5% of GDP for fiscal 2020 (to 3.8%), using the escape clause available in FRBM (Fiscal Responsibility and Budget Management) legislation.

The Indian economy saw some growth momentum build up in January and February, but that has been undone by COVID-19 linked disruptions, with attendant downward effects on fiscal 2020 growth as well as fiscal 2021 growth expectations. Bank credit growth has also remained soft, in line with weak activity. The hit to growth will depend on the length of the ongoing lockdown, pace of return of migrant labours to urban centres and pick-up in economic activity after the lock down is lifted.

The Government and the RBI have acted speedily to offset the impact of pandemic related disruptions, with the latter reducing policy repo rates by 75 bps to 4.40% in the last one month and undertaking several measures to improve liquidity, monetary transmission and credit flows to the economy. In order to prevent the transmission of financial stress to the real economy, central bank also provided relief on debt servicing by permitting moratorium on term loans and deferment of interest on working capital facilities. The Government too has announced package covering cash transfers and food security for vulnerable sections of society and further fiscal measures are likely to follow in coming months. The measures taken so far have looked through near term constraints on inflation and fiscal slippage though.

Prospects for fiscal 2021

Global economic growth is projected to contract 3% YoY as per the latest IMF World Economic Outlook. Weaker growth is likely to be seen across developed and emerging economies, given COVID-19 disruptions and associated value chain impacts, with high probability of recessions in many countries. Among advanced economies, 2020 growth is projected at -6.1%, going by the IMF. IMF expects China's economy to decelerate further to 1.2% for calendar year 2020. Risks to the global outlook remain on the downside and are dependent on the length of the lockdown measures.

Bank credit growth is likely to be around 5% in fiscal 2021, in line with weak trends going ahead. Bank deposits are expected to rise 7.3% in fiscal 2021, despite a high base in fiscal 2020.

Overview of Financial Performance

Operating performance

Particulars	2019-20	2018-19	% change
Net interest income	25,206	21,708	16%
Non-interest income	15,537	13,130	18%
Operating revenue	40,743	34,838	17%
Operating expenses	17,305	15,833	9%
Operating profit	23,438	19,005	23%
Provisions and contingencies	18,534	12,031	54%
Profit before tax	4,904	6,974	(30%)
Provision for tax	3,277	2,297	43%
Net profit	1,627	4,677	(65%)

(₹ in crores)

Statutory Reports

Management's Discussion and Analysis

Operating revenue increased by 17% YoY from ₹34,838 crores in fiscal 2019 to ₹40,743 crores in fiscal 2020. Net interest income (NII) rose 16% from ₹21,708 crores in fiscal 2019 to ₹25,206 crores in fiscal 2020. Non-interest income consisting of fee, trading and other income increased by 18% from ₹13,130 crores in fiscal 2019 to ₹15,537 crores in fiscal 2020.

Operating expenses rose 9% from ₹15,833 crores in fiscal 2019 to ₹17,305 crores in fiscal 2020 as the Bank continued to invest in branch infrastructure, technology and human capital to support its business growth. Healthy growth in operating revenues along with comparatively lower growth in operating expenses this fiscal compared to previous year led to a growth in the Bank's operating profit by 23% to ₹23,438 crores from ₹19,005 crores reported last year. Provisions and contingencies increased by 54% from ₹12,031 crores in fiscal 2019 to ₹18,534 crores in fiscal 2020.

Net profit for the year ended 31 March, 2020 decreased and stood at ₹1,627 crores, as compared to the net profit of ₹4,677 crores last year, primarily on account of higher provisions and contingencies.

Net interest income

(₹ in crores)			
Particulars	2019-20	2018-19	% change
Interest on loans	48,303	41,322	17%
Interest on investments	11,246	11,349	(1%)
Other interest income	3,086	2,315	33%
Interest income	62,635	54,986	14%
Interest on deposits	29,369	23,708	24%
Other interest expense	8,060	9,570	(16%)
Interest expense	37,429	33,278	12%
Net interest income	25,206	21,708	16%
Average interest earning assets ¹	718,147	632,690	14%
Average Current account and Saving Account (CASA) ¹	223,349	202,733	10%
Net interest margin	3.51%	3.43%	
Yield on assets	8.72%	8.68%	
Yield on advances	9.64%	9.44%	
Yield on investments	7.15%	7.28%	
Cost of funds	5.48%	5.43%	
Cost of deposits	5.23%	5.12%	

¹ computed on daily average basis

NII constituted 62% of the operating revenue, and increased by 16% from ₹21,708 crores in fiscal 2019 to ₹25,206 crores in fiscal 2020. The increase is primarily due to an increase in average interest earning assets on a daily average basis by 14%.

During this period, the yield on interest earning assets increased from 8.68% last year to 8.72%. The yield on advances increased by 20 bps from 9.44% in fiscal 2019 to 9.64% in fiscal 2020 primarily due to rise in the yield on retail advances by 30 bps from 10.07% in fiscal 2019 to 10.37% in fiscal 2020. The yield on investments decreased by 13 bps during the fiscal 2020. Cost of funds increased by 5 bps from 5.43% in fiscal 2019 to 5.48% in fiscal 2020. During the year, the Bank continued its focus on both CASA plus Retail Term Deposits (RTD) as part of its overall deposits strategy. As a result, the cost of deposits increased to 5.23% from 5.12% last year. CASA and RTD deposits together, on a daily average basis, reported a healthy increase of 22% to ₹449,033 crores from ₹368,017 crores last year.

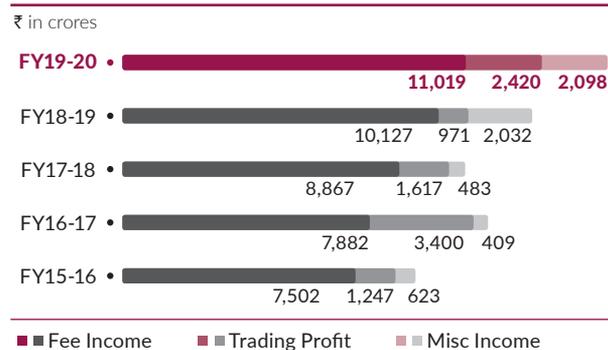
Non-interest income

(₹ in crores)			
Particulars	2019-20	2018-19	% change
Fee income	11,019	10,127	9%
Trading profit	2,420	971	149%
Miscellaneous income	2,098	2,032	3%
Non-interest income	15,537	13,130	18%

Non-interest income comprising fees, trading profit and miscellaneous income increased by 18% to ₹15,537 crores in fiscal 2020 from ₹13,130 crores last year and constituted 38% of the operating revenue of the Bank.

Fee income increased by 9% to ₹11,019 crores from ₹10,127 crores last year and continued to remain a significant part of the Bank's non-interest income. It constituted 71% of non-interest income and contributed 27% to the operating revenue. The share of granular fees comprising of Retail and Transaction Banking fees witnessed improvement during the year, and stood at 82% compared to 79% last year. Retail card fees, Retail non-card fees and Transaction Banking fees constituted 26%, 38% and 18%, respectively of the total fee income in fiscal 2020. The Corporate Banking fee growth remained subdued during the year as the Bank continued to focus on better rated corporate clients. The share of corporate fee in the overall fee profile stood at 11%. The rest 7% was contributed by Treasury and SME segments.

Non-Interest Income



During the year, proprietary trading profits increased by 149% to ₹2,420 crores from ₹971 crores last year mainly on account of higher profits on SLR and bond portfolio in fiscal 2020 compared to fiscal 2019.

The Bank's miscellaneous income increased to ₹2,098 crores compared to ₹2,032 crores in fiscal 2019, comprising mainly recoveries from written off accounts amounting to ₹1,553 crores in fiscal 2020. Miscellaneous income also includes dividend from subsidiaries of ₹240 crores.

Operating revenue

The operating revenue of the Bank increased by 17% to ₹40,743 crores from ₹34,838 crores last year. The core income streams (NII and fees) constituted 89% of the operating revenue, reflecting the stability of the Bank's earnings.

Operating expenses

Particulars	2019-20	2018-19	% change
Staff cost	5,321	4,747	12%
Depreciation	773	710	9%
Other operating expenses	11,211	10,376	8%
Operating expenses	17,305	15,833	9%
Cost : Income Ratio	42.47%	45.45%	
Cost : Asset Ratio	2.09%	2.13%	

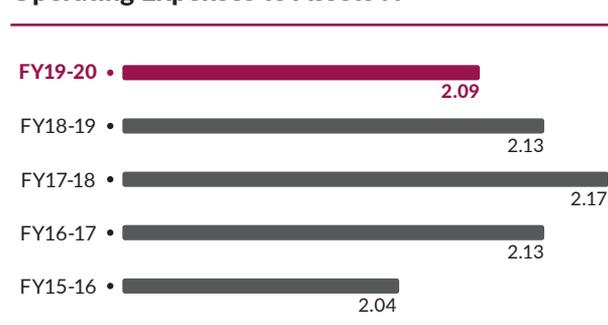
(₹ in crores)

The operating expenses growth for the Bank moderated during the year to 9% as compared to 13% last year as the Bank continued to focus on controlling expenses. However, the Bank continues to invest in expanding branch network and other infrastructure required for supporting the existing and new businesses, as a result of which the operating expenses increased to ₹17,305 crores from ₹15,833 crores last year. The Operating Expenses to Assets ratio improved to 2.09% compared to 2.13% last year.

Staff cost increased by 12% from ₹4,747 crores in fiscal 2019 to ₹5,321 crores in fiscal 2020, primarily on account of 20% increase in employee strength from 61,940 as at end of fiscal 2019 to 74,140 as at the end of fiscal 2020.

Other operating expenses increased by 8% from ₹10,376 crores in fiscal 2019 to ₹11,211 crores in fiscal 2020. The increase is primarily due to investments in branch infrastructure and technology to support business growth. The Bank added 478 branches during fiscal 2020.

Operating Expenses to Assets %



Statutory Reports

Management's Discussion and Analysis

Operating profit

During the year, the operating profit of the Bank increased by 23% to ₹23,438 crores from ₹19,005 crores last year on account of healthy growth in operating revenues along with comparatively lower growth in operating expenses.

Provisions and contingencies

(₹ in crores)			
Particulars	2019-20	2018-19	% change
Provision for non-performing assets	12,756	10,221	25%
Provision for restructured assets/SDR/S4A	(16)	(20)	-
Provision for depreciation in value of investments	136	300	(55%)
Provision for country risk	12	-	-
Provision for standard assets including unhedged foreign currency exposure	1,441	829	74%
---of which			
Provision for loans under moratorium	1,118	-	-
Provision for other contingencies	4,205	701	500%
---of which			
Provision for Non-Banking Assets	1,526	605	252%
Provision for NFB outstanding	411	-	-
Additional provision for COVID-19	1,882	-	-
Provisions and contingencies	18,534	12,031	54%

During fiscal 2020, the Bank created total provisions (excluding provisions for tax) of ₹18,534 crores compared to ₹12,031 crores last year. Key items of the same are explained below -

Provisions for NPAs:

The Bank provided ₹12,756 crores towards non-performing assets compared to ₹10,221 crores last year. The increase in provision for non-performing assets is primarily on account of higher slippages during the year as compared to previous year and also on account of increase in provisions on existing NPAs due to ageing, deterioration of security etc. Provision for non-performing assets also includes additional provisions required to be created under the 7 June, 2019 circular of the RBI. On account of higher provisions for non-performing assets, the credit costs for fiscal 2020 stood at 2.15%, 24 bps higher as compared to fiscal 2019.

Provisions for standard assets:

The Bank provided ₹1,441 crores for standard assets including unhedged foreign currency exposure compared to ₹829 crores last year. This includes an amount of ₹1,118 crores towards 10% provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package.

Provision for other contingencies:

Provisions for other contingencies for fiscal 2020 amounted to ₹4,205 crores as compared to ₹701 crores in fiscal 2019. This increase is mainly on account of following -

- From fiscal 2020, the Bank has started maintaining systematic provision towards non-fund based outstanding in NPAs, prudentially written off accounts, corporate standard advances rated "BB and Below" and all SMA-2 advances as reported to CRILC, which amounted to ₹411 crores for the year.
- During fiscal 2020, the Bank has made balance provision of ₹1,605 crores towards land held under non-banking assets acquired in satisfaction of claims, which was adjusted from the balance in profit and loss account under reserves and surplus in the previous year. During fiscal 2020, the Bank also sold a part of the land parcel which led to write back in the provision amounting to ₹79 crores.
- Further, incrementally, the Bank on a prudent basis has made an additional provision for COVID-19 of ₹1,882 crores, based on an internal stress testing exercise. It is important to note that the situation is evolving and it is extremely difficult to ascertain with certainty the exact impact on the Bank's portfolio due to COVID-19 induced lockdown. Considering the conscious portfolio choices of the bank in favour of secured nature of lending in the Retail and SME book and higher rated book in Corporate, and higher share of salaried and ETB in unsecured book, the prudent provision created does provide strength to the balance sheet. The Bank will continue to assess the stress on the portfolio on an ongoing basis and assess impact, if any, on prudent provisioning.

Provision for tax

Provision for tax for fiscal 2020 stood at ₹3,277 crores as compared to ₹2,297 crores for last year. During the year, the Bank has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Bank has recognised provision for income tax for fiscal 2020 in line with the above option. This has necessitated a restatement of the opening balance of deferred tax assets as at 1 April, 2019, basis the rate prescribed in the aforesaid section. The restatement has resulted in a write down of ₹2,138 crores which has been fully charged to the Profit and Loss account during the year.

Net profit

Net profit for the year ended 31 March, 2020 decreased and stood at ₹1,627 crores, as compared to the net profit of ₹4,677 crores last year, primarily on account of higher provisions and contingencies.

Asset Quality Parameters

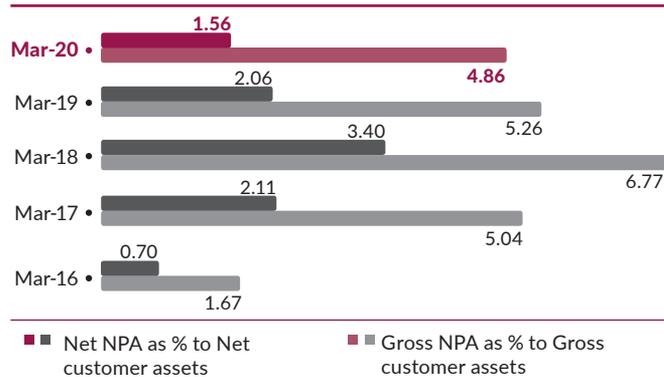
The asset quality metrics improved during the fiscal, with reduction in NPA ratios year on year. During the fiscal, the quantum of low rated pool of BB and below accounts (excluding investments and non-fund based exposure) reduced and stood at ₹6,528 crores as compared to ₹7,467 crores at the end of fiscal 2019. The Bank added ₹11,222 crores of corporate slippages during the year, of which 84% came from lower rated “BB and below” pool (excluding one account of ₹751 crores which got upgraded during Q4 and downgraded again in same quarter due to technical reasons). Bank’s outstanding in low rated pool of “BB and Below” investments and non-fund based accounts is ₹562 crores and ₹3,906 crores respectively as at the end of March 2020.

The Bank added ₹19,915 crores to Gross NPAs during the year with the Bank’s ratio of Gross NPAs to gross customer assets decreasing to 4.86%, at the end of March 2020 from 5.26% as at end of March 2019.

The Bank added ₹10,614 crores to Net NPAs after adjusting for recoveries and upgradations of ₹2,715 crores and ₹6,586 crores respectively and the Bank’s Net NPA ratio (Net NPAs as percentage of net customer assets) decreased to 1.56% from 2.06%.

The Bank’s provision coverage has increased during the fiscal and stood at 83% after considering prudential write-offs and 69% excluding prudential write-offs. The Bank’s accumulated prudential write-off pool stood at ₹23,844 crores as at end of fiscal 2020 with ₹7,710 crores being written off during the year.

Gross and Net NPA



Key ratios

Particulars	2019-20	2018-19
Basic earnings per share (₹)	5.99	18.20
Diluted earnings per share (₹)	5.97	18.09
Book value per share (₹)	301.05	259.27
Return on equity (%)	2.34%	8.09%
Return on assets (%)	0.20%	0.63%
Net interest margin (%)	3.51%	3.43%
Profit per employee (₹ lakh)	2.40	7.61
Loan to Deposit ratio (Domestic)	83%	84%
Loan to Deposit ratio (Global)	89%	90%

Basic Earnings Per Share (EPS) was ₹5.99 compared to ₹18.20 last year, while the Diluted Earnings Per Share was ₹5.97 compared to ₹18.09 last year. Return on Equity (RoE) and Return on Assets (RoA) deteriorated during the year and stood at 2.34% and 0.20% respectively. Book Value per Share increased by 16% to ₹301.05 from ₹259.27 last year. Profit per Employee stood at ₹2.40 lakh.

Loan to Deposit ratio of the Bank as on 31 March, 2020 was at 89% with a domestic CD ratio of 83%.

Balance Sheet parameters

Assets

Particulars	2019-20	2018-19	% change
Cash and balances with RBI	84,959	35,099	142%
Balances with banks and money at call and short notice	12,309	32,106	(62%)
Government securities	125,982	120,239	5%
Other securities	30,752	54,730	(44%)
Total investments	156,734	174,969	(10%)
Retail advances	305,400	245,812	24%
Corporate advances	204,103	183,402	11%
SME advances	61,921	65,584	(6%)
Total advances	571,424	494,798	15%
Fixed assets	4,313	4,037	7%
Other assets ¹	85,426	59,988	42%
Total assets	915,165	800,997	14%

(₹ in crores)

¹ includes Priority Sector Lending deposits of ₹46,463 crores (previous year ₹28,162 crores)

Total assets increased by 14% to ₹915,165 crores as on 31 March, 2020 from ₹800,997 crores on 31 March, 2019, driven by 15% and 142% growth in advances and cash and balances with RBI, respectively.

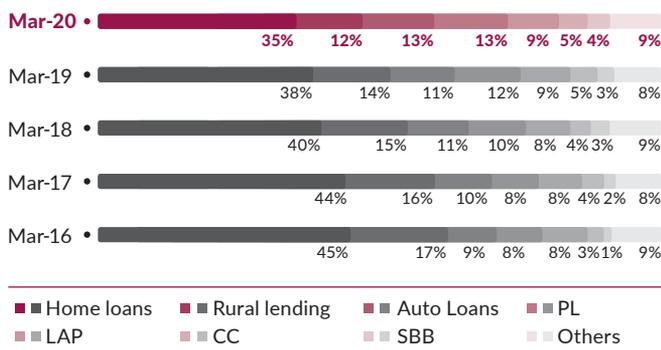
Advances

Total advances of the Bank as on 31 March, 2020 increased by 15% to ₹571,424 crores from ₹494,798 crores as on 31 March, 2019, largely driven by healthy growth in the retail segment. Retail advances comprised 53% of total advances and grew by 24% to ₹305,400 crores, corporate advances comprised 36% of total advances and grew by 11% to ₹204,103 crores and SME advances constituted 11% of total advances and de-grew by 6% to ₹61,921 crores.

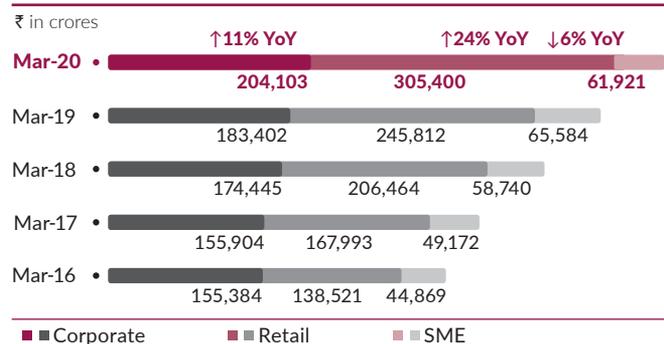
Domestic advances of the Bank as on 31 March, 2020 grew by 15% to ₹526,786 crores from ₹456,683 crores as on 31 March, 2019. Further, domestic corporate advances of the Bank as on 31 March, 2020, increased by 13% to ₹175,087 crores from ₹155,421 crores as on 31 March, 2019.

The retail lending growth was led by auto loans, personal loans, and credit cards. Mortgages continue to grow slower than the retail lending growth. Home loans remain the largest

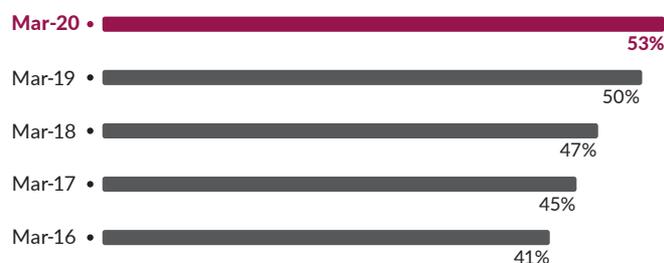
Composition of Retail Advances



Advances



Retail Advances as % to Total Advances



retail segment and accounted for 35% of retail loans, rural lending 12%, loans against property (LAP) 9%, personal loans (PL) and credit cards(CC) were 18%, auto loans 13% and Small Banking Business (SBB) loans were 4%, while non-schematic loans comprising loan against deposits and other loans accounted for 9%.

Investments

The investment portfolio of the Bank de-grew by 10% to ₹156,734 crores. Investments in Government and approved securities, increased by 5% to ₹125,982 crores. Other

investments, including corporate debt securities, decreased by 44% to ₹30,752 crores. 89% of the government securities have been classified in the HTM category, while 84% of the bonds and debentures portfolio has been classified in the AFS category.

Other Assets

Other assets of the Bank as on 31 March, 2020 increased to ₹85,426 crores from ₹59,988 crores as on 31 March, 2019, mainly on account of following –

- Priority Sector Shortfall deposits increased to ₹46,463 crores as on 31 March, 2020 from ₹28,162 crores as at previous year end.
- Positive mark-to-market receivable on forex and derivative contracts increased from ₹9,498 crores as on 31 March, 2019 to ₹16,143 crores as on 31 March, 2020, primarily on account of movement in INR/USD exchange rate during the year.

Liabilities and shareholder's funds

Particulars	2019-20	2018-19	% change
Capital	564	514	10%
Reserves and Surplus	84,384	66,162	28%
Total shareholder's funds	84,948	66,676	27%
Deposits	640,105	548,471	17%
- Current account deposits	90,114	89,265	1%
- Savings bank deposits	173,592	154,129	13%
- CASA	263,706	243,394	8%
- Retail term deposits	253,437	198,914	27%
- Non-retail term deposits	122,962	106,163	16%
- Total term deposits	376,399	305,077	23%
Borrowings	147,954	152,776	(3%)
- In India	92,493	83,037	11%
- Infra bonds	20,880	16,705	25%
- Outside India	55,461	69,739	(20%)
Other liabilities and provisions	42,158	33,073	27%
Total liabilities and shareholder's funds	915,165	800,997	14%

(₹ in crores)

Shareholder's funds

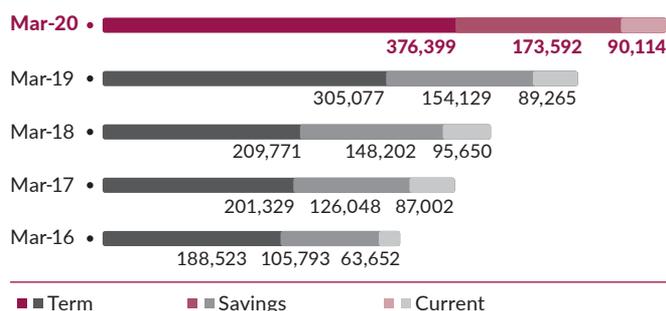
Shareholder's funds of the Bank increased from ₹66,676 crores as on 31 March, 2019 to ₹84,948 crores as on 31 March, 2020. This is mainly on account of increase in capital and reserves due to conversion of share warrants and raising of capital through Qualified Institutional Placement (QIP).

Deposits

The total deposits of the Bank increased by 17% to ₹640,105 crores against ₹548,471 crores last year. Savings Bank deposits reported a growth of 13% to ₹173,592 crores, while Current Account deposits reported increase of 1% to ₹90,114 crores. As on 31 March, 2020, low-cost CASA deposits remained stable amounting to ₹263,706 crores, and constituted 41% of total deposits as compared to 44% last year. Savings Bank deposits on a daily average basis, increased by 11% to ₹153,919 crores,

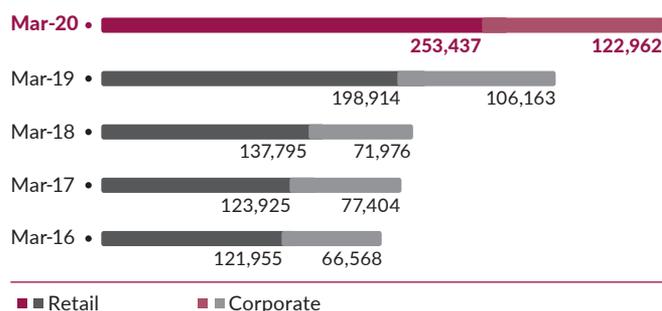
Deposits

₹ in crores



Term Deposits

₹ in crores



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while Current Account deposits reported a growth of 8% to ₹69,431 crores. The percentage share of CASA in total deposits, on a daily average basis, was at 40% compared to 44% last year.

This year the Bank significantly ramped up its focus on retail term deposits. As on 31 March, 2020, the retail term deposits grew 27% and stood at ₹253,437 crores, constituting 67% of the total term deposits compared to 65% last year. As on 31 March, 2020, CASA and retail term deposits constituted 81% of total deposits.

Borrowings

The total borrowings of the Bank decreased by 3% from ₹152,776 crores in fiscal 2019 to ₹147,954 crores in fiscal 2020. Domestically, the Bank raised ₹4,175 crores through Infrastructure bonds during the fiscal. The outstanding balance in long term infrastructure bonds as on 31 March, 2020 was ₹20,880 crores.

Capital Management

The Bank continues its endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value. During the year ended 31 March, 2020, the Bank allotted 45,357,385 equity shares at a price of ₹565 per share pursuant to exercise of convertible share warrants by the warrant holders. As a consequence, the paid-up share capital of the Bank has increased by ₹9 crores and the reserves of the Bank have increased by ₹2,551 crores after charging off issue related expenses.

Further, during the year ended 31 March, 2020, the Bank raised additional equity capital through a Qualified Institutional Placement of 198,728,139 shares at a price of ₹629 per share. As a consequence, the paid-up share capital of the Bank has increased by ₹40 crores and the reserves of the Bank have increased by ₹12,393 crores after charging off issue related expenses. The funds mobilised for equity raising were utilised for enhancing the capital adequacy ratio and for general corporate purpose.

Movement of CRAR during fiscal 2020	%
Capital Adequacy Ratio as on 31 March, 2019	15.84
Increase due to warrant conversion	0.45
Increase due to QIP issue	2.12
Decrease on account of consumption	(0.88)
Capital Adequacy Ratio as on 31 March, 2020	17.53

The Bank has also been focusing on increasing the proportion of lower Risk Weighted Assets (RWA). The Bank's Risk Weighted Assets (RWA) to Asset ratio improved from 69% as at the end of fiscal 2019 to 67% at the end of fiscal 2020.

During the year, the Bank's capital consumption was modest, driven by improvement in RWA intensity. The Bank has invested in Yes bank shares during the year, pursuant the reconstruction scheme aggregating ₹600 crores. The said investment has not been treated as HTM for capital adequacy purposes. If the investment was treated as HTM, our overall capital adequacy ratio and CET-1 would improve by 14 bps.

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

The Bank's overall capital adequacy ratio (CAR) under Basel III stood at 17.53% at the end of the year, well above the benchmark requirement of 9.00% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 13.34% (against minimum regulatory requirement of 5.50%) and Tier I CAR was 14.49% (against minimum regulatory requirement of 7.00%). As on 31 March, 2020, the Bank's Tier II CAR under Basel III stood at 3.04%.

The following table sets forth the capital, risk-weighted assets and capital adequacy ratios computed as on 31 March, 2020 and 31 March, 2019 in accordance with the applicable RBI guidelines under Basel III.

(₹ in crores)

Particulars	2019-20	2018-19
Tier I capital	88,449	69,238
Tier II capital	18,556	18,221
Out of which		
- Tier II capital instruments	13,095	14,450
- Other eligible for Tier II capital	5,461	3,771
Total capital qualifying for computation of capital adequacy ratio	107,005	87,460
Total risk-weighted assets and contingencies	610,527	552,048
Total capital adequacy ratio	17.53%	15.84%
Out of above		
- Common equity tier I capital ratio	13.34%	11.27%
- Tier I capital ratio	14.49%	12.54%
- Tier II capital ratio	3.04%	3.30%

Business Overview

The Bank outlined its medium term strategy last year- GPS. The Bank's aspiration on the key vectors of GPS are -

- Growth: Deliver above average growth of in deposits (CASA+RTD) and advances
- Profitability: Deliver a consistent RoE of 18%; drive operating cost efficiencies
- Sustainability: Be predictable and well managed
- One Axis: Drive a culture of unity across the Bank's various departments, products and subsidiaries

The Post-COVID-19 scenario has altered our outlook on certain near term business strategies, however our commitment to GPS and its goal posts remains intact. We will continue to consider Growth, Profitability and Sustainability as imperative to all the decisions we take in the Bank.

Over the last year, we have embraced GPS across the Bank and our individual business segment performance is reflective of this.

An overview of the Bank's various business segments along with their performance during fiscal 2020 and future strategies is presented below:

Retail Banking

The Retail Banking segment continues to be a key driver of the Bank's overall growth strategy. Over the years, the Bank has maintained its focus on customer centricity with deep understanding of their financial needs and excellence in delivery of bespoke personalised solutions. This has not only strengthened the Bank's relationship with the customers but the customers have also made Bank their preferred financial solutions partner.

The Retail business segment encompasses a wide array of products and services across deposits, loans, investments and payment solutions, which are delivered through multiple physical and digital channels to the Bank's customers.

Retail liability products include savings accounts and term deposits that are customized for certain target groups, such as high-net-worth individuals, senior citizens, women, defence personnel, students and salaried employees.

Retail lending products include home loans, automobile loans, two wheeler loans, commercial vehicle loans, personal loans, gold loans, education loans, credit cards, loans against term deposits, loans against securities, small business banking loans and agriculture loans.

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 markets third party products such as mutual funds, life and non-life insurance policies and Government savings bonds. A wide range of liability and asset products and services are also offered to non-resident Indians ("NRIs").

To provide an omni-channel superlative customer experience to a larger segment of India's population, the Bank has developed a wide network of fully interconnected retail branches, extension counters, ATMs, asset sales centres, call centres, an Internet banking channel and mobile banking platform.

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The Bank's deep customer relationship, focused execution, wide distribution and strong digital capabilities has helped it to improve customer experience and gain market share over the years. During fiscal 2020, Retail segment contributed 68%, 53% and 64% of the Bank's deposits, advances and fee income respectively.

The Bank continues to remain one of the strongest banking brands and among the top 20 brands in the country, standing apart from peers with a differentiated identity of being seen as an approachable and trustworthy institution. During the year, the Bank launched new brand philosophy – Dil Se Open, which aims to cement strong brand value among the stakeholders, with a two-fold focus on bolstering customer-facing interfaces and simplifying and strengthening various process gaps to enable employees to deliver better customer experience on ground.

Recent challenges in the macro environment due to COVID-19 require a nimble response to the emerging situation. Bank has identified various short and medium-term levers and crafted an action plan to help us navigate through the challenging situation including keeping a close tab on geographies and segments as they open up. Further, Bank is using this opportunity to re-imagine the new normal: the future of work and banking will be very different. The Bank is focusing its efforts on accelerating digital adoption across various processes within the Bank, strengthening credit and risk policies, and proactively managing collections.

The Bank has continued to engage with customers across various verticals leveraging Bank's digital channels, addressing their needs and concerns and ensuring delivery of smooth customer experience. The Bank is focusing on digital customer acquisition and also enabling sales resources to effectively engage with the customers. The Bank has ensured that customers are guided well while opting for the moratorium. The Bank has been focused on employee safety and education through various initiatives including specific learning and development interventions. Specific initiatives have also been taken for making both employees and customers more digitally active. The Bank has also facilitated DBT withdrawals for both Axis and non-Axis customers in remote geographies. Social distancing and hygiene norms have been maintained at all our outlets while taking care of all the financial needs of Bank's customers.

The Bank will continue to scale up its efforts towards ensuring safety of our employees and serving customer needs in these challenging times. The Bank's long term strategy and ambitions remain intact, and remain focused on developing an agile response to the current crisis which supports Bank's strategy.

Retail Deposits

A key element of the Bank's strategy has been the shift from a product centric to a customer centric approach with an objective to have sharper growth in deposits from existing as well as new customers in its Retail franchise.

The growth in deposits has remained the driver of Bank's balance sheet growth. During the year, the Bank continued its focus on garnering higher share of Current Accounts and Savings Accounts (CASA) deposits plus retail term deposits. The Savings Bank deposits grew by 13% while the retail term deposits grew by 27% during the year. As on 31 March, 2020, the Bank had over 23 million savings account customers.

Building a quality liability franchise has been a key focus area for the Bank and it has taken initiatives towards improving the quality of acquisition and deepening the relationship with its existing deposit customers. Earlier this year, the Bank had re-organised the Retail business segment structure and created a new vertical structure in Liability Sales to drive greater focus on new customer acquisition on the CASA and retail term deposits. To ensure that the product designs continue to remain contemporary, competitive and engaging and to reach out to new consumer segments, the Bank also launched Prestige Savings and Salary Account earlier during the fiscal year.

Savings Accounts segments like Priority, Prestige, Burgundy, NRI and Government savings continue to be the primary focus areas of the Bank. In order to acquire RTD from New to Bank (NTB) customers the Bank launched Express FD, a digital Fixed Deposit which allows fixed deposit accounts to be opened through digital mode in quick time and with zero issuance fees.

In order to serve the deposit customers better and deepen relationships with them, the Bank has organically built its branch network over the years. The Bank undertakes a detailed study of the demographic factors of an area to assess its business potential before setting up a branch. The Bank has an evenly distributed branch presence across various geographies catering to the needs of diverse customer groups.

During the year, the Bank opened 478 branches, highest number of branches in any given fiscal year. As on 31 March, 2020, the Bank had a network of 4,528 domestic branches and extension counters as compared to 4,050 domestic branches and extension counters as at the end of 31 March, 2019.

Back office operations are centralized at central processing units allowing the Bank's branch network to focus on business acquisition and expanding customer relationships. As on 31 March, 2020, the Bank had 326 central processing centres, 13 service branches, 12 extension counters and 95 specialized branches (lending centres).

The Bank was the first private sector Bank to introduce recyclers, which can both accept and dispense cash. As on 31 March, 2020, the Bank had deployed 5,433 recyclers/cash deposit machines that handled, 70% of the overall cash deposits at the Bank, leading to efficient use of Bank's staff. The realm of technology has changed the world's expectations into real time fulfilment and more so of the customers in terms of Bank's products. Understanding the need of the hour, the Bank introduced 8 Instant Fulfilment campaigns (Credit Card onboarding, Card Portfolio products, FD/RD booking, Mutual Fund - SIP, Insurance Renewal) for customers on its ATM channel; 6 of which are as a first ever initiative in the banking industry. This helped to achieve 1lac+ instant sale of products in fiscal 2020.

The Bank's geographical reach in India now extends to 35 states and union territories, covering 2,559 centres and 682 districts. Around 16% of the Bank's branches are in rural areas and 76% of the Bank's rural branches are in unbanked locations.

As a part of essential service, 99% of Axis Bank branches remained operational during the lock down phase implemented by the government to tackle COVID-19 outbreak. Moreover, Bank has ensured 96% availability of (<24 hour down) ATMs and Recyclers for customers despite the challenges faced during lock down. The Bank through its branches and BCs facilitated the customers for withdrawal of money received under PMGKY scheme as per Govt. directive. The Bank also enabled and strengthened its operational processes through Digital platforms to encourage customers for using the same.

Retail Lending

The growth of retail and consumer lending in India has been a consequence of growing affluence and changing consumer behaviour. Retail Lending is one of the Bank's core growth areas. The Bank's focused marketing approach, product innovation, risk management systems and competent back-office processes have contributed to the strength of the Bank's retail lending strategy.

The four core components of the Bank's retail lending strategy focus on cross-selling to existing deposit customers; focusing on distribution through branches; continue leveraging digital platforms and advanced data analytics engine driving underwriting.

Existing to Bank advantage: As a part of the business growth plans, the penetration into the internal customer base is a critical component of the strategy given the benefits of the customer stickiness, portfolio performance and lower acquisition cost. The Bank continues to focus on upselling and cross selling opportunities for its products to the existing customers. Branches play an important role in this with almost 47% of retail advances being sourced at branches.

Geographical connect: The Bank's strong geographic presence through its robust network of branches and loan centres, has helped to cater to a wide strata of society especially in the rural and semi urban areas. The Bank continues to focus on deepening and expanding its presence in rural and semi-urban locations through physical and digital technological support.

Digital Edge: Digital technology has played a key role in delivering superior customer service and increased customer transactions. During the year, the Bank launched project 'Aarambh' that facilitates digitally assisted sales of multiple products through a single journey and offers real time point of sale offers for cross-sell to the Bank's customers. The Bank will continue to leverage various digital platforms with a view to enhance automation in lending and improving process efficiencies. The Bank sourced 44% of the personal loans through paperless digital platforms. Further, during the year the Bank sourced 19% of business loans digitally.

Advanced data analytics engine: The Bank's strategy has been to diversify its portfolio and to build a well-diversified portfolio book without compromising on the prudent risk management. The Bank has over the years invested significantly in data analytics. The Bank has been actively leveraging its strong Business Intelligence capabilities as a predictive analytical tool to understand customer's financial characteristics which help in developing robust credit decision models. This approach has also been complemented with the effective collections set up and strategy.

The Bank has grown its Retail Lending portfolio strongly over the last decade with a CAGR growth of 31% over the last 10 years and currently stands at ₹305,400 crores as on 31 March, 2020, up 24% over last year. The Bank continued to increase its share of retail loans to total advances, which stood at 53% as compared to 50% last year. While the Bank has significantly diversified the book over the years in terms of product offerings, the book continues to remain largely secured at 80% of the book with home and mortgage finance, automobile finance and loans against property being the major components of the Bank's retail lending portfolio, constituting 35%, 13% and 9% respectively. The proportion of higher yielding Retail Lending products comprising mainly of Personal Loan, Credit Card and Small Business Banking (SBB) stood at 22% as on 31 March, 2020.

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Priority Sector Lending (PSL)

Priority sector advances include loans to the agriculture sector, micro and small enterprises, financial inclusion sector, microfinance loans, loans to certain weaker sectors, housing and education finance up to certain ceilings and loans to fund the purchase of eligible assets and investments in eligible securitized assets. Deposits with NABARD on account of shortfall in priority sector business targets are also eligible for priority sector lending.

The Bank continues to focus on achieving the PSL targets and sub targets prescribed by the regulator. As on 31 March, 2020, Bank had average PSL achievement of 41.77% for fiscal 2020. Bank's current business model generates PSL advances, which meet the overall 40% requirement to a great extent. The Bank has also been buying PSL certificates (PSLC) to narrow the gap between achievement and RBI mandated targets in the sub segments. During fiscal 2020 the Bank purchased PSLCs of an aggregate amount of ₹48,321 crores at a cost of ₹611 crores.

The Bank has increased its emphasis on products that can be offered to MSMEs, Agri Sector and weaker section in order to drive the PSL sub-target achievements. The digital lending channels have been enhanced to facilitate quicker turnaround time for sanction and disbursement of loans to MSME borrowers. Newer platforms are being developed that will help reach out to potential borrowers and disburse loans seamlessly. The Bank continues to focus on augmenting the small ticket size loans with competitive features. Crop Loans to small and marginal farmers and microfinance business targeted at women borrowers from low income households is also being scaled up for sub target achievements.

The Bank has been working towards increasing its presence in specific rural and semi-urban geographies across India, where the Bank has lesser penetration in agricultural advances and MSME lending. The Bank 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.

Payments

As the economy continues to go digital, there has been a tremendous growth in the share of retail payments with huge jump in the volumes of low value transactions on account of wider acceptability, convenience and government push. Though digital payments are outgrowing cash transactions, there still remains a large opportunity to grow them further.

Digital Payments continue to be at the core to the Retail Banking strategy as it represents not only the face of the franchise but also increases customer engagement, drives profitability and partnerships. During the year, the Bank launched Axis Bank Flipkart Credit Card a co-branded credit card offering best-in-class benefits both on online and offline spends. The Bank also launched co-branded credit card with Indian Oil Corporation and Freecharge. All these launches have opened up opportunities in two new customer segments – Known to Bank (KTB) and New to Bank (NTB). The Bank believes these two segments will have significant contribution in future sourcing.

The Bank also launched two new Credit Cards in the premium segment strengthening its position in this highly competitive segment. Axis Bank Magnus Credit Card is a premium credit card with exclusive travel, lifestyle and health benefits. The card comes with a complimentary travel ticket and airport concierge services, built for the luxurious traveller. Burgundy Private One card, a first of its kind luxury three-in-one credit card was launched for high networth and ultra-high networth clients. This card provides the customer with added benefits to withdraw cash or make international transactions at no additional cost and also serves as debit card and forex card. During the year, the Bank partnered with Flipkart and Amazon during their festival sales period; contributing significantly to total festive sales spends.

The Bank continues to focus on its digital first initiatives. The Bank sourced 45% of credit cards through paperless digital platforms. The Bank continued focus on affluent segment helped improve Affluent Credit Card sourcing mix to 12% of overall volumes in fiscal 2020 as compared to 9% for previous year.

The Bank is one of the largest debit card issuers in the country, with a base of 24.51 million as on 31 March, 2020. The Debit Cards portfolio has seen an increase of 15% in spends from ₹44,610 crores in last year to ₹51,516 crores.

The Bank's merchant acquiring business continues to be one of the largest acquirers in the country with a base of 5.22 lakhs installed terminals of which 3.08 lakhs terminals are enabled for accepting contactless payments. The throughput acquired has seen a growth of 32% YTD during the year as compared to last year.

The Bank remains committed towards promoting a less cash-focused digital economy, and enjoys a strong market position across most digital payments spaces in India. The digital payments space also provides opportunity to attract and cross-sell to non-Axis Bank customers.

The Digital Payments business registered strong growth during the fiscal year. UPI transactions touched a new high with Axis Bank powering over 22 crores UPI transactions a month, making Axis the second largest PSP player. The UPI acquiring throughput too saw tremendous pickup during the year with 46% YOY growth and over 1 lakh merchants onboarded till date. During the year, the Bank ventured into offline acquiring as well, partnering with Google SMB, Reliance, FBB, Innoviti and Pine Labs.

Among the key innovations this year, UPI was enabled as a mode of payment for outstanding on Axis Bank Credit Cards and loans, and for investing in IPOs. More than 50,000 IPO mandates were set up via Axis UPI during the year. These innovations, with a high-end tech stack, have helped Axis partner with marquee players in the market such as CRED, Amazon & Bajaj Finserv and acquire over 9.5 crores customers VPA's for the UPI business. The Bank gained a major share in IMPS transactions processing over 43 million transactions a month and saw a jump in its ranking from 5th to 2nd as at end of 31 March, 2020.

Wealth

The Bank's Wealth Management business 'Burgundy' continues to be among the top wealth management franchises in the country with assets under management of over ₹1.47 trillion as at end of 31 March, 2020. Since its launch in 2014, the wealth management business that offers unique and personalised wealth management advisory and solutions to the Ultra HNI, Affluent and Emerging Affluent customers, has steadily diversified its offerings and has gained the trust of over 1.6 lakh customers.

The Bank has over the years strengthened and deepened relationship with its customers by providing a wide platform for addressing the clients' financial needs in partnership with the Bank's subsidiary companies and several third party product providers across products like Bonds, Mutual Funds, Portfolio Management Services, Alternative Investment Funds, Equity & Derivatives, Life & General Insurance, among others.

During the year, the Bank launched the Burgundy Private proposition for high and ultra-high net-worth customer segments in December 2019. The Burgundy Private proposition leverages the strength of 'One Axis' and offers the combined expertise of the Bank and its subsidiaries to cater to the distinct and advanced wealth needs of this client segment. Within four months of its launch, the Burgundy Private has scaled up rapidly to cover over 850 families across 15 key locations with assets of nearly ₹17,700 crores as at 31 March, 2020.

The challenging investment environment notwithstanding, the business continued on its growth trajectory last year to grow the customer base by 14%. Since 2014, the revenues for the Burgundy business have grown at a CAGR of ~38% and AUM has grown at CAGR of ~28%.

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. Additionally, the Bank offers World Traveller Forex Card in association with Miles & More, Europe's largest traveller loyalty programme, aimed at frequent flyers which is an industry first in this segment.

In line with the rapid customer adoption of digital channels for banking transactions, the Bank provides convenient online offerings across the Retail Forex and Remittance product portfolio. RemitMoney, an online remittance portal available to NRIs across 7 geographies, provides competitive and user-friendly platform to send money to their beneficiaries in India. The Bank's customers can initiate outward remittances through their Internet Banking access without having to submit any paperwork. This convenient option resulted in continued increase in the number of transactions processed through this channel on a yearly basis. The Bank also offers instant reload facility to its account holders on their Multi-currency forex cards for travellers on-the-go who need not worry anymore about running out of cash while abroad.

Third Party Distribution

The Bank today 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 offers 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.

In terms of investment products, the Bank ranks among the top 4 distributors in Assets Under Management (AUM). 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 18 major Asset Management Companies, through its

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diversified branch network and digital channels based on the customers' lifecycle and investment requirements. The Bank has 1.4 million mutual fund customers and has earned the Wall of Fame at the UTI Mutual Fund and CNBC TV18 Financial Advisor Awards in 2018-19, for being conferred the Best Private Bank for 2 consecutive years. The Bank also offers various AIF products to its customers, as approved by SEBI.

The Bank offers online trading services to its customers in collaboration with Axis Securities Ltd (a 100% subsidiary of the Bank) under the brand name Axis Direct. Through its branches, the Bank has sourced more than 2 million total customers for Axis Direct.

For its life insurance distribution business, while the Bank already had a tie up with Life Insurance Corporation of India and Max Life Insurance Company Limited, it entered into partnership with Bajaj Allianz Life Insurance Company Limited in November 2019. The Bank continues to focus on providing need based product options to cater to the financial security of customers and has secured the lives of over 1.4 million customers since the inception of partnerships.

In General Insurance, the Bank continues to distribute health insurance products for TATA AIG General Insurance Company Limited and HDFC Ergo Health Insurance Company Limited (erstwhile Apollo Munich Health Insurance Company Limited) with a focus to offer diverse insurance solutions to retail and corporate customers, the Bank has recently tied up with Bharti Axa General Insurance Company Limited and Aditya Birla Health Insurance Limited for general and health insurance products respectively.

Third Party Distribution contributed 16% of total Retail Bank fee income in fiscal 2020.

Digital Banking

Customers today desire instant gratification and seamless experience across various channels. The Bank is constantly striving towards digital excellence and has remain focused on redesigning and simplifying customer journeys to improve customer experience in onboarding, transactions and servicing.

The Bank has taken significant steps towards increasing its digital presence by investing significantly in building enterprise level digital capabilities. Digital technologies today allow for several innovations driven by data and technology. The Bank aims to deliver sustainable value through digital banking and become the leader in customer experience in India by introducing new products and segments.

With its dominant presence on conventional digital channels like Mobile Banking app and Internet Banking platform, the Bank is strengthening its reach towards new age banking channels like Axis Aha chatbot and Alexa voice banking along with initiatives to embrace cutting edge banking on Whatsapp and API integrated banking.

During the year, the Bank has taken several initiatives in Digital Bank to address growing customers needs and provide superlative customer experience. The Digital team introduced smart statement which analyses the customers' category wise spends on Mobile App; launched Axis Voice Banking on Alexa to assist customer to know their account balance and credit card bill through voice command. The digital initiatives with respect to journey optimization which entailed a seamless, paperless and quick onboarding experience, along with introduction of the new journey on the mobile app also aided the growth in online mutual funds business. The online investments platform helped the digitally active customer base to invest in different categories of mutual funds and monitor portfolio online. The overall discoverability of investment products was also enhanced across digital assets of the Bank.

The Bank has seen an increase of 92% in total number of registrations on Mobile Banking and a 15% growth in total registered customers on Internet Banking platform on year on year basis which shows high customer adoption of digital channels. More than 70% of the new digital registration are mobile first. All these efforts have culminated into making the Axis Mobile app as one of the highest rated banking app in Playstore and Appstore. In recognition of all these initiatives, Axis Bank won the Best Mobile App award for Citizen Centric Services at The ET Government DigiTech Conclave & Awards, 2019. The Bank also won the Best Digital Bank award for the second consecutive year at The Financial Express 'India's Best Banks' awards ceremony.

Wholesale Banking

The Bank's Wholesale Banking business unit offers various loan and fee-based products and services to large, mid-corporate and multi-national clients as well as commercial banking group (including small and medium enterprises as well as micro, small and medium enterprises).

During the year, the Bank reoriented and strengthened the organization structure in Wholesale segment with an objective to streamline and simplify functioning and bring in greater business focus, improve profitability, productivity and efficiency. Business relationship and product specialists' responsibilities have been segregated to ensure sharper focus on client coverage and product groups through Wholesale Banking Coverage Group and Wholesale Banking Products Group, respectively.

Wholesale Banking Coverage Group

The Wholesale Banking Coverage Group offers various Loan Products such as Working Capital Loans, Overdrafts, Short and Long Term Loans, Import and Export Finance that are specially designed to meet all financing requirements to Government clients, large corporates, multi-national and mid-sized coverage clients. In an effort to create an integrated Wholesale Banking franchise the Bank has reorganized the coverage structure in fiscal 2020, as follows:



- **Large Corporates:** covering all corporate clients with turnover greater than ₹1,000 crores;
- **Mid-Corporates:** covering all corporate clients with turnover between ₹250 crores and ₹1,000 crores; and
- **Focused Segmental Coverage:** covering Strategic Clients, Government-owned entities, Multi-national companies and financial institutions group companies.
- **Commercial Banking Coverage Group (CBCG):** caters to businesses with turnover between ₹10 crores to ₹250 crores.

With the re-orientation of the Corporate Banking vertical of the Bank, the Wholesale Coverage Group is now augmented to deliver “One Axis” to the customer. Besides credit products, the Coverage group also delivers 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 today presents itself as a large scale full service Wholesale Bank through its subsidiaries across Investment Banking, Commercial Banking and Transaction Banking with linkages to Retail. The Bank has leveraged One Axis to provide comprehensive solutions to its clients thereby deepening the relationship further.

During the fiscal 2020, the Bank’s Corporate loan growth was up 11% over fiscal 2019. The Bank’s domestic corporate loan book growth was strong with a YoY growth of 13%. The Bank continued to implement its strategy of de-growing the overseas loan book aligned to the focus shift of top business houses to tap opportunities in the domestic market.

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

During the start of the year, the credit underwriting function was taken out from the businesses and was made an independent function. 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. The Bank has defined industry, group and rating based single borrower exposure limits and monitors it on a regular basis with a view to identify risk and takes proactive action to mitigate them.

Approximately, 95% of new sanctions in the corporate book were to companies rated ‘A-’ or better. Presently, 83% of outstanding standard corporate book is to companies rated ‘A-’ and above. Further, portfolio diversification through a sectoral approach to credit has helped the Bank to continue reducing the concentration risk.

Over the last couple of years, the Bank has deepened the integration into the customer value chain cutting across the value chain. On the payments side, Bank continues to gain market share by developing unique value proposition to vendors and other stakeholders. With the re-organisation of the Wholesale Banking Group, the focus now is more on digital innovation with improvement in process quality at the core. These innovations have been recognized by various industrial bodies (Best Banking Innovation of the Year- 2020- Banking Frontiers (Finnoviti, Best Banking Technology of the Year 2020 – Internet and Mobile Association of India)). Corporate Internet Banking Mobile App had more than 1.7 lakhs downloads with more than ~20% of the transactions through the app.

Towards the end of fiscal 2020, countries across the world were hit by an unprecedented global pandemic COVID-19. As a result of this severe crisis, it is expected that industries across the sectors will get impacted and the resultant economic and financial impact will be spread over a much longer time. Given this development, the Bank has continued to remain cautious and conservative in its underwriting standards.

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The Bank continues to focus on leveraging the strong relationship the Bank enjoys with better rated corporates to focus on gaining a higher share of shorter tenure working capital and transactions. During this period, the Bank has reached out to a large number of clients (existing and new) in their hour of need and has developed a deeper engagement through the Targeted Long Term Repo Operations (TLTRO).

Commercial Banking Coverage Group

With Small and Medium Enterprises (SME) expected to be a growth driver for the country over the medium term notwithstanding the near term effects of COVID-19, the Bank continues to focus on ensuring strong presence in this segment. In order to deepen existing relationships with SMEs, a new segment called Commercial Banking Group (CBG) was created during the year.

The Bank's Commercial Banking business emphasizes relationship building and supporting entrepreneurs. The Bank has created dedicated business verticals to meet the requirements of the SME market sector, namely the Small Enterprises Group (for turnover up to ₹75 crores), the Medium Enterprises Group (for turnover above ₹75 crores to ₹250 crores) and the Supply Chain Finance Group.

The SME business unit is of strategic importance to the Bank as it generates higher yields and helps to diversify risks. The SME business unit offers a wide range of both templated and non-templated products, including term loans and working capital finance, non-fund based facilities to meet the specific requirements of SME clients. The SME business also continues to focus towards lending to the Priority sector (PSL) with 59% of the book qualifying for PSL lending. The Bank's SME book is very well diversified across the geographical regions and consists of 35 broad sectors. The Bank has a strong network across the Country offering best in class service through 120 dedicated SME centres and more than 4,200 branches.

During fiscal 2020, given the uncertainties on the macro-economic front and the underlying weakness in the economy, the Bank had maintained a cautious stance on SME space. The SME business saw de-growth of 6% for the fiscal 2020 as the Bank focused on maintaining asset quality in the segment. The Bank's SME advances stood at ₹61,921 crores as on 31 March, 2020 and constituted 11% of the Bank's total advances as on 31 March, 2020.

During the year, the Bank implemented Project 'Sankalp', an SME digital transformation initiative to transform the SME business to improve efficiencies, customer experience and deliver year on year growth. The project also simplifies the credit assessment process by adapting a digital workflow based system to streamline the credit assessment process and with improved credit model.

The Bank makes use of business analytics to identify potential borrowers across various sectors and has various Early Warning Systems in place which help to take corrective action when necessary. The asset quality in the SME segment has remained stable with strong focus on sourcing high rated customers.

To enable stronger, faster and leaner processes to streamline the customer journeys for onboarding, deepening and cross-sell. A new loan onboarding and approval system is being structured to bring in better controls from a system perspective on TATs, building better underwriting capability based on analytical feed and creating a digital workflow for risk mitigation. A new digital tool is built to provide rich customer insights to relationship managers in order to enable them to sell the right product and provide better solutions.

The Bank has been taking several initiatives to support the growth and development of MSME sector. The Bank organises "Evolve" series - an educational initiative for SMEs every year that focuses on Small and Medium Enterprises (SME) in India. The series is now regarded as a signature initiative of Axis Bank in building SME capacity. The 6th edition of Evolve was organised this year around the concept "Gearing up for a 5 Trillion Dollar Economy" in over 25 cities across the country.

Government Business

The Government Coverage Group of the Bank offers a wide range of services to Government Departments, Public Sector Units (Centre and State), Autonomous Bodies, Agencies, Educational Institutions, Local Governance Bodies, Special Purpose Vehicles and other entities to suit their banking requirements. Since the year 2003, the Bank has been authorised by Reserve Bank of India to handle all agency business transactions. Today the Bank handles all Government of India and State Government businesses which include the following:

- Collection of Direct taxes (CBDT)
- Collection of GST across all branches
- Disbursement of Central Civil as well as Defence Pensions

- Accreditation by RBI as an authorised banker for the Ministry of Urban Development, Ministry of Housing and Urban Poverty Alleviation, Office of Controller General of Accounts and Institute of Government Accounts and Finance, under Ministry of Finance

The Bank is a participating entity in the Government's Public Financial Management System (PFMS). The Bank is also an active player in Government e-Marketplace and trains both vendors and Government bodies for using the platform.

The Bank is among the leading banks in the country in digital banking and is driving partnership-driven innovation in the space, actively contributing to India's key developmental initiatives such as Digital India, Direct Benefit Transfer (DBT), E-Procurement, E-Mandi, E-Nagarpalika, Online Payment Gateways and other cashless initiatives through various modes. It also continues to work on diverse digital mandates with multiple state governments to scale up e-governance and expand e-citizen services.

The Bank is also associated with the e-Governance and e-Procurement initiatives of several states and union territories, for example Andhra Pradesh (Me-Seva), Karnataka (Bangalore One and Karnataka One), Chandigarh UT (Sampark) and Chhattisgarh (Chhatisgarh Online information system for Citizen Empowerment).

Transaction Banking

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

The key financial deliverables of the business are current account float balances and fee income. The Bank has been focusing on average balances in relation to current accounts, the volatility on the current account balances have declined which resulted in increase in the growth of average balances of current account. Daily average balances in current accounts grew 8%, from ₹64,006 crores in fiscal 2019 to ₹69,431 crores in fiscal 2020. The fee income generated for the above products was of ₹1,972 crores in fiscal 2020, a growth of 6% year on year.

Current Accounts

Current Accounts continue to offer a suite of product variants and continues to offer all the banking services through its branches. With the economy slowing down, and new customer onboarding becoming more challenging, the Bank continues to support all its customer businesses through its branches as per their need. Also, strategically, digitization will be key focus for the year ahead, with an aim to strengthen our digital offering across products and services through innovation and technology. Our digital strategy will play an integral part in providing customers uniform service experience across various channels, especially during restricted times. This would also lead to better cross-sell opportunities and overall deepening of the relationship.

Cash Management Solutions

The Bank provides comprehensive and customizable cash management solutions that enable faster fund movement by leveraging the Bank's extensive branch network backed by state-of-the-art technological systems. To enable corporates to make payments on the move, the Bank has launched 'Axis Corporate Mobile app' The Bank has also launched an industry first offering 'One Connect' an integrated payment & bill discounting solution which is a collaboration between Axis Bank & Invoicemart. During the year, the Bank has enabled 24x7 processing of NEFT transactions. In order to extend online banking for non-digital customers during the lockdown, the Bank has initiated the process of paperless onboarding for digital payment channels. The Bank has been awarded the mandate of PM Cares Donation Fund and other State level COVID-19 Donation drive wherein Bank has activated various digital modes of payment.

The Bank has been focusing on providing holistic solutions for select sectors by offering digitization of value chain along with better liquidity management. Bank's integrated digital dairy platform offered through TSP, has ensured end to end data capture on milk procurement and ensured timely payments to over 7 lakhs farmers across India. With client specific auction and procurement platforms, the Bank is able to digitize the entire Agri Value Chain helping various government agencies to bring transparency and price discovery to stakeholders. Bank has launched Fund Disbursement Management Solution – a product developed to provide the Government Institution a better way to manage the physical and financial progress of their schemes with sharper visibility at all levels of the Government and direct transfer of funds to the beneficiary account. The Bank developed a simple 3 click online process and enabled the entire branch network to issue FASTags. The Bank is currently ranked 3rd in terms of total number of tags issued.

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Axis Bank has developed in-house BBPS (Bharat Bill Payment System) engine. The Bank has designed a comprehensive solution for billers and aggregators whereby they can participate in the BBPS platform. Bank foresees BBPS will position us ahead of competition as a Digital Player, help in client stickiness and generate incremental revenue.

The Bank has designed a first-of-its-kind Smart City Solution that includes a prepaid smart card/wallet, a mobile app and a web portal which empowers citizens not only to make cashless payments but also to interact with city administration to raise grievances and apply for services. During the current year, Bank won Tumkur Smart City, Agra Smart City (Door 2 Door Tax Collection), Amritsar and Bhopal Smart City (digital spot fine collection) and Prayagraj Smart City.

Trade, forex and risk management services

The Bank offers a complete suite of products and solutions for domestic trade as well as international trade finance and foreign exchange business through its designated Corporate Banking branches and Forex "B" category branches spread across the country supported by centralised operations units.

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

While the Bank continues to focus on offering the trade and forex services from its Corporate Banking branches and Forex "B" category branches, the Bank has developed strong focus on offering these services through its digital channel 'TF Connect' which is part of Bank's Integrated Digital Platform for corporates and SMEs, enhancing the customer experience.

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

The Bank was one of the first banks to facilitate presentation of trade related documents through electronic mode during the COVID-19 lockdown where physical movement of documents was restricted. Further, to encourage the use of digital platforms during the lockdown period, the Bank took a decision to waive the charges on trade and forex transactions received through 'TF-Connect' till 30 June, 2020.

Custodial and Capital Market Services

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

The Bank acts as a clearing bank and professional clearing member across exchanges in India providing clearing member services and funds clearing solutions to exchange members. The Bank is also a SEBI registered custodian of securities, servicing various segments of clients viz. Foreign Portfolio Investors, Foreign Direct Investors, Portfolio Management Service Providers and Foreign Venture Capital Investors etc.

Assets under custody services as at end of fiscal 2020 stood at ~₹85,000 crores, up from ~₹61,000 crores in fiscal 2019.

Correspondent Banking & Payments

Correspondent Banking maintains Nostro and Vostro relationships of banks across various geographies. The Bank enters into correspondent banking relationship to grow cross border business and offer more options to customers for inward & outward payments. The Bank offers products and services to customers such as Retail / Non retail remittances, cheque clearing, Trade Finance, Treasury payments etc. Currently, the Bank has relationships with over 1,000+ banks worldwide in more than 100 countries, thereby providing our customers a widespread global reach.

Treasury & Markets

The Bank's Treasury & Markets function comprises of Asset Liability Management (ALM), Forex Trading group (including customer forex, currency derivatives & bullion), Interest Rate Trading (IRT) (including Rupee Derivatives) & primary dealership, Non SLR Trading (including Equity), Debt Capital Markets(DCM), Treasury product specialist and syndication business.

The ALM group manages the regulatory requirements of Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR). The group also manages the liquidity, interest rate and currency risks in the Bank's portfolio, under the

guidance of the Asset Liability Committee (ALCO) of the Bank. The group is responsible for overall liquidity management of the domestic book and longer term liquidity management of the overseas branches across geographies.

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

The IRT desk plays an important role of market making and trading in G-Sec, OIS & other approved interest rate products. The Bank is primary dealer of government securities. PD desk ensures mandated bidding commitments, success ratio & turnover ratio for T-bill auctions /G Sec are achieved for the year.

The Non SLR Trading desk undertakes primary/secondary market investment in Corporate Bonds, CP/CD and Equity instruments. Net Corporate Bond book is ₹21,303 crores as on 31 March, 2020.

DCM business is responsible for arranging Bond issuances of Corporates in the domestic and international market. The Bank continues to remain a dominant player in the DCM segment. During fiscal 2020, the Bank arranged bonds and debentures of ₹78,724 crores with a market share of 26% and ₹29,166 crores for quarter ending March 2020 with a market share of 29%. The Bank has been ranked number one arranger for rupee denominated bonds as per Bloomberg for calendar year 2019.

Treasury products specialist team is responsible for supporting the coverage team to drive the forex and derivatives business of the Bank. The team provides end to end customised solutions to the customers for any trade or capital account transactions. The vertical helps manage the Treasury needs of customers and earns a substantial part of its revenues through fee income generated from transactions customers undertake with the Bank for managing their foreign exchange and interest rate risks.

Syndication business primarily focuses on sourcing, structuring and syndicating the underwritten loan mandates in Rupee as well as Foreign Currency to various investors i.e. banks and financial Institutions.

Process Transformation and Service Excellence

Customer centricity remains at the heart of The Bank's 'Open' philosophy. During the year, the Bank has undertaken a large number of process transformation projects with a view to improve turn-around-times, process efficiency, productivity and operational capabilities for improved customer experience. The Bank has developed systems and capability to capture customer experience feedback across channels, life cycle and product lines. This has helped the Bank in tracking the progress in customer experience scores and more importantly identifying areas for improving processes and people competencies.

The Bank's dedicated team of Process Quality experts having skill set of Lean and Six Sigma philosophy, have been instrumental in driving these improvement projects across the Bank. The team has been using Lean Six Sigma (DMAIC framework) to drive implementation of the projects for sustainable improvement.

Some of the key areas that have been positively impacted by these initiatives include:

- Bank wide turnaround time and efficiency improvement
- Project 'Sun-down' to drive a daily rhythm of Zero pendency by collaboration across multiple departments
- Bank wide Unified Sales & Service CRM
- Simplifying and delivering instant account opening process
- Providing first level self -service using voice and chat bots
- Empowering the front-line and back-end employees to deliver a consistent experience across channels
- Delivering a unified "One Axis" to drive customer engagement

The team also played an important role in tracking and ensuring that the business continuity plan (BCP) invoked by the Bank before the COVID-19 related lockdown was effectively implemented. Operations team refined the BCP strategy and all operational activities were reclassified, into Critical 1, Critical 2 & Non critical activities. A dashboard was created to have a daily monitoring and sight on key business critical activities and appropriate measures were taken that resulted in the Bank being able to successfully serve the customers during lockdown phase.

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Business Intelligence Unit

The Bank has an in-house Data Science and Artificial Intelligence (AI) team providing cutting edge solutions to various functions of the Bank. The BIU team is responsible to create data assets and monetize them with time and has numerous success stories in the area of risk management and operational optimization. The team has successfully deployed and driven adoption of predictive solutions not only in Retail but in Corporate banking area as well. There are over 350 members in the team who are young and techno-functional with an expertise in distributed computing and algorithms catering to big data, new age programming language like Python and deep learning frameworks like TensorFlow, Keras etc.

BIU has invested in new age data science and engineering platforms – Big Data Lake and Analytical Work Bench to deliver value in traditional/non-traditional use cases and there has been upward trend in the adoption rate of these platforms. BIU's focus in Artificial Intelligence (AI) & Machine Learning (ML) along with traditional analytics has helped to serve internal stakeholders well in making business decision.

This year, the Unit focused on building analytical capability in operations world, which has helped the Bank to identify and streamline processes, reduce cost and enhance governance across Retail and Corporate business segments. Also, a lot of efforts have been put to enable real time access to data which is helping Bank take decisions way faster than earlier.

The Bank has also implemented multiple AI solutions like “AI Assisted FasTag Resolution” process based on computer vision algorithms and created analytical micro services which are integrated to mainstream applications to nudge RMs and customers at different touch points. The Bank is working towards making algorithms that will be able to create personalized experience on Mobile Banking platform – predicting next best action, next best product etc.

The Bank has successfully done proof of concepts on cloud to run algorithms on scale and the Bank continues to make investment in the areas of AI&ML, Cloud and Big Data to gain competitive advantage in servicing the customers and making business decisions in a better manner.

Information Technology and Cyber Security

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

With the objective of making banking simple and hassle-free for customers, the Bank has undertaken various technology driven business initiatives to deliver value through continuous technology adoption and innovation. The Bank has undertaken large scale IT transformation towards augmenting infrastructure to further build capabilities. The Bank continues to upgrade its core systems for better scalability, stability and enhanced security.

The Bank's Digital Lending platform has been at the forefront of the digital innovation initiatives enabling quicker adoption of capabilities needed to develop any lending product. Bank aims to leverage the platform and extend its capabilities across other products like Cards, SME etc.

The Bank continues to re-invent and re-invest in technologies including mobility, cognitive intelligence, application programming interface (API) banking, Robotic Process Automation and Artificial Intelligence / Machine Learning to develop winning propositions for its customers. In order to drive seamless integration with partners, Bank's Open API platform has been further enhanced to onboard merchants thereby generating more business and driving volumes. The Bank has future scaled the adoption of robotics process automation and Artificial Intelligence/Machine Learning augmenting operational efficiency, higher accuracy and reduction in processing time while serving customers.

The Bank has also embarked on its journey to re-architecting its technology infrastructure to be Cloud native providing the necessary agility, speed and elasticity for scale. To improve branch network and address infrastructure limitations in remote geographies, Bank has empanelled multiple national level large reach providers and local broadband providers. Bank has also invested in software defined data centers and network which will enhance branch bandwidth exponentially.

The Bank pursues 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. Bank is compliant to ISO27001 and PCIDSS standards. The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System.

Following the COVID-19 pandemic, the Bank has been committed to provide uninterrupted services to its customers. The Bank has actively encouraged large scale Work-From-Home mandate and provided all enablement necessary to support its employees to efficiently perform their duties. The Bank has allocated laptops, activated VPN/VDI connections along with application access and triggered enterprise mobility and collaborative tools to all critical employees to enhance productivity and ensure seamless collaboration. The Bank also swiftly made changes necessary for RBI moratorium across all applicable systems.

Additionally, the Bank mobilized its service architecture and taskforce to provide necessary support to customers and employees whilst continuing to focus on development efforts of strategic initiatives.

Risk Management

The Bank continues to focus on strengthening the risk management capabilities, while leveraging on advanced analytics and frameworks, to drive risk management.

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

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

Credit Risk

Credit risk is the risk of financial loss if a client, issuer of securities that the Bank holds or any other counterparty fails to meet its contractual obligations. Credit risk arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor. The goal of credit risk management is to maintain asset quality and concentrations at individual exposures as well as at the portfolio level.

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

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

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The Bank's overall credit governance structure and processes have been strengthened during the year to ensure credit quality on an ongoing basis. The operational limits are set in line and commensurate with the level of risk appetite. The key risk metrics are monitored regularly and deviations are discussed with business to decide on the course of remedial action.

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. Treasury Mid-Office independently monitors the Bank's investment and trading portfolio in terms of risk limits stipulated in the Market Risk Management Policy and board approved Market Risk appetite and reports deviations, if any, to the appropriate authorities as laid down in the policy 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 analysis 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 in accordance with the RBI guidelines and the defined risk appetite of the Bank. The Bank is in readiness to adhere to the regulatory guidelines on Net Stable Funding ratio (NSFR) that are likely to be implemented from 1 October, 2020.

Operational Risk

Operational risks may emanate from inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four. The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through a well-defined framework and governance structure.

The RMC at the apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank.

All new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team. The overall responsibility of new products is vested with the Risk Department through the Bank's Product Management Committee and Change Management Committee. Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after due recommendations from the Operational Risk team. The 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.

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.

Risk Management Initiatives

The Bank has an independent risk management function (Risk Department) reporting to the MD & CEO which includes, among others, teams focusing on Credit Risk, Market Risk, Liquidity Risk, Information Security and Operations Risk. The Risk Department is headed by the Chief Risk Officer whose roles and responsibilities are approved by the Board in line with the requirements of the RBI. The Risk Department, in addition to formulating the Risk Appetite for approval by the Board, drives the implementation thereof through policies, processes and guidelines. The Risk Department also monitors the risk profile at the Bank level as well as at operational levels and reports on the same to the Board and the senior management. The Bank has invested in, and continues to invest in, people and infrastructure to support this role. In specific, the Bank has been strengthening the information and cyber security and technology risk domains.

During fiscal 2020, the Bank has taken additional steps to strengthen the risk management function. This includes establishing enhanced cadence around review of credit portfolios at the Board level, conducting regular reviews of the Risk Appetite Statement, proactive risk interventions around the retail portfolio (especially unsecured portfolio) etc.

Further, as the COVID-19 pandemic emerged around the horizon, the Bank has set up a centralised emergency response framework, focusing across multiple facets – protecting life, ensuring business continuity, protecting operations, maintaining liquidity and protecting capital. In deploying this, the Bank proactively issued advisories to staff, tested and scaled up continuity plans before the lockdown, tightened controls to manage operational risk, enhanced the due diligence around new originations and began monitoring liquidity very closely. The Bank has been able to ensure operations at branches and ATM's have continued with minimal disruption, liquidity is satisfactory and the health of the staff is protected to the maximum extent.

Subsidiary Governance

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

Compliance

Compliance risk is being considered as one of the most significant concerns in the banking sector. The compliance starts from the top with the Board and Top Management playing an active role in driving a robust risk and compliance culture in the Bank. The compliance department assists the Board and Top Management in managing the compliance risk. It also identifies, evaluates and addresses the legal and reputational risks in the Bank. The department ensures that overall business of the Bank is conducted in strict adherence to the guidelines issued by the Reserve Bank of India and other regulators, various statutory provisions, standards and codes prescribed by BCSBI, FEDAI, FIMMDA, etc. by evaluating the products / processes, guiding business departments on the various regulatory guidelines with a special emphasis on better understanding of the perspective

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/ spirit of the guidelines and regulations, regular assessment of overall compliance status in the Bank. It closely works with operational risk and internal audit functions and monitors various activities of the Bank with more emphasis on active risk management. The non-compliances, if any, are being appropriately remediated through root cause analysis. The department has an oversight over Bank's subsidiaries to ensure the adherence to applicable laws and regulations. The Bank has a robust compliance policy and group compliance policy to manage the compliance risk in the Bank and its subsidiaries. The Bank has a robust Anti Money Laundering (AML) policy / framework and tools to manage the AML risk.

The Compliance department has been working to improve the risk and compliance culture in the Bank by organizing different training programs in collaboration with HR Department, conducting orientation programs with a special emphasis on compliance specific areas and issuing advisories through various communications apart from direct interactions.

Apart from being the focal point of contact with the regulators, the Compliance department periodically apprises the Bank's management as well as the Board of Directors / Audit Committee of the Board on the changes in regulatory environment and status of compliance in the Bank. The Audit Committee of the Board monitors and assess the performance of the Compliance department periodically.

The Board and Top Management aims to maintain the highest standard of compliance within the Bank and its group.

Internal Audit

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and support functions are in compliance with both internal and regulatory guidelines. In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a robust internal audit policy. The 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 across all audit entities. The audit policy articulates the audit strategy in terms of a concerted focus on strategic and emerging business risks. These inputs form a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in sync with the risk profile of each unit to be audited. This is in alignment with guidelines relating to 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 initiated technological initiatives for providing enhanced efficiency and effectiveness through system driven and analytics based audits.

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

Corporate Social Responsibility (CSR)

Since its founding in December 1993 as one of India's first new-age private sector banks, the Bank has strived to play a leading role in helping create an open, resilient and sustainable Indian economy, one that is capable of serving the diverse needs of its diverse population and catalysing a robust environment for innovation and entrepreneurship.

The Bank's CSR and sustainability strategy has continued to move from strength to strength towards catalysing positive socio-economic and environmental value creation for stakeholders including customers, employees, the communities and natural environment through a variety of business and non-business activities ranging from sustainable finance to CSR to operational excellence.

Guided by the CSR Committee of the Board and aligned to CSR Policy, the Bank's CSR interventions focus broadly on poverty alleviation, rural sustainable livelihoods, financial inclusion and literacy, skill development, education and environmental sustainability. The Bank continues to implement and manage CSR activities directly as well as through the Axis Bank Foundation.

Axis Bank Foundation, established in 2006 with a mission to take forward the Bank's community initiatives, continued to cover ground towards its 'Mission 2 Million' of supporting 2 million households in India by March 2025 under the overarching theme of Sustainable Livelihoods. The Foundation continues to be active in 205 blocks in 23 States, working with 29 NGO partners, and has impacted over 627,000 families under its Mission.

During the year, the Bank stood by the nation in its battle against COVID-19, announcing its commitment to set aside an amount of ₹100 crores to support its customers, employees, vendors, government agencies and the community at large. In

addition to adopting several customer-friendly measures aimed at offering seamless and convenient banking, the Bank also scaled up its support to government agencies such as Municipal Corporations and Police Departments towards battling the virus and to vulnerable communities towards helping them meet their most basic requirements. Employees from across the Axis Group have committed to support the nation in its hour of need by donating a day's salary towards the PM CARES Fund.

Axis Dil Se, the Bank's unique, grassroots intervention in the union territory of Ladakh, completed its third and final phase in over 100 government schools it covers. In the third phase, over 100 schools were provided classroom furniture and the integration of 'Anganwadi' or Integrated Child Development Services (ICDS) centres were initiated, along with training for Sarpanchs and Anganwadi workers. In addition, towards enhancing the student learning outcomes from Digilabs, which were installed in the second phase, Block level training for headmasters and Digilabs administrators was completed.

The Bank continued to work towards scaling up financial inclusion and literacy across the country during fiscal 2020, focusing on the Bottom of the Pyramid in rural and urban India and the SME sector. Axis Sahaayata, an initiative to directly deliver relief measures at disaster-affected regions, was active on the ground in Odisha after Cyclone Fani, providing relief material and other support to 17,544 beneficiaries in 3 districts. Axis Sahaayata was also active on the ground in Assam, Bihar, Karnataka and Kerala which were impacted by severe floods, collectively supporting over 17,850 beneficiaries.

As a financial institution in India, the Bank remains aligned to the global sustainable development agenda, underlined by the 2015 Paris Agreement on Climate change and the 2015 adoption of the Sustainable Development Goals. The Bank continues to maintain a robust sustainability-aligned portfolio, lending to sectors including renewable energy generation, mass rapid transport and low-carbon infrastructure, while also helping marquee clients raise green funds from both within India and Global Capital markets through Debt Capital Markets business. As a financial institution, the Bank recognizes the emerging climate-linked risks to existing and future portfolios, and had institutionalized the Sustainable Lending Policy and Procedures (SLPP) to better manage the environmental and social risks in lending assessments and decisions.

The Bank also released its fifth standalone sustainability report during fiscal 2020, and the second to be in alignment with the Integrated Reporting framework of the International Integrated Reporting Council (IIRC) as well as the GRI Standards framework of the Global Reporting Initiative (GRI). The externally assured report continues to play a central role in communicating the Bank's value creation across its organizational spectrum to stakeholders.

The Bank remains cognizant of the significant opportunities towards rationalizing its organizational environmental footprint. At the Bank, diverse initiatives have been undertaken across departments, products, processes and systems that strive to make Bank more agile and responsive to the needs of stakeholders. During the year, the Bank continued its focus on reducing dependence on grid electricity consumption at various physical locations by consciously enhancing the adoption of renewable energy. In addition to rooftop and ground-mounted solar installations, which stood cumulatively at 7.05 MW of installations at 248 locations, Bank is now entering into power purchase agreements with renewable energy producers for large offices. During the year, the Bank expanded the Centralised Energy Management System (CEMS), a cloud-based energy management initiative, from 893 branches to 1,493 branches and has undertaken the replacement of CFL lighting to LED lighting at 1,100 branches, by 31 March, 2020.

Details on the Bank's CSR governance, interventions and impact for the reporting year have been provided in the Annual Report on CSR Activities as a 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/>.

It is a matter of significant pride for the Bank to have been included in the prestigious FTSE4Good Emerging Index for the third consecutive year in 2019. The Index, created by FTSE Russell, measures and benchmarks the performance of companies globally demonstrating strong Environment, Social and Governance (ESG) practices.

Human Resources

At Axis Bank, its employees remain the most critical drivers for growth and success.

The Bank considers its human resource function as the catalyst which builds talent readiness and strengthens the core values of the Bank to ensure sustained business outperformance, while simultaneously building a strong value proposition for its employees.

The Bank's people philosophy is guided by the business strategy which pivots around the delivery of three important vectors - Growth, Profitability, and Sustainability as well the Bank's aspiration to become the preferred banker for all as One Axis. Key focus areas of the human resource function of the Bank are:

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Reinforcing core values: The Axis Value Program, a two-year realization journey of the Bank's five core values namely Customer Centricity, Ethics, Transparency, Team Work and Ownership is a reflection of the Bank policies and serve as a guide for Bank's decision making. The co-creators and champions of the program, Bank's employees were the Axis Value Realizers (AVR) who simplified, exemplified and institutionalized its core values as winning behaviours. Over 950 AVRs championed the engagement encouraging employees to narrate winning stories of self, of a colleague or a team that has an exemplary impact noteworthy of recognition through Axis Champions Award, celebration of values.

Engage, Develop and Nurture

Aligned to the business strategy of building in-depth customer engagement, the Bank scaled up its talent acquisition mechanism to onboard talent catering to additional footprint of new branches.

The Bank nurtures talent from the beginning by hiring young talent from select institutes of the country, in the field of Management, Engineering, Design and Chartered Accountancy. This enables the Bank to build a pipeline of young leaders. Through cadre programs like AHEAD, ABLe, and We Lead (leadership program for women), the Bank hires 150+ management graduates and develops them to take up leadership roles in the Bank. We have also bolstered our hiring from the top engineering institutes to strengthen our Digital and Analytics capabilities. The Axis Bank Young Bankers and Axis Sales Academy programs support a sustainable pool of entry level talent for the core businesses. The senior leaders in the Bank also engage with students to give them insights into the BFSI sector and establish the Bank as a thought leader and employer of choice to build talent capabilities in Digital, Engineering, Credit Analytics and Information Technology. Over the last 10 years Axis Bank has nurtured more than 24,000 young minds across the country. We continue to use data analytics and technology to make sharper and smarter hiring decisions.

The Bank's internal job portal 'Catalyst' empowers employees to manage their own career and provides opportunities of progression to Axis Bankers. In fiscal 2020, 630 employees moved internally to different roles to take up cross functional opportunities in the Bank. The Bank's promotion process allows for the best performers to be recognized, regardless of their age, gender, background and tenure.

Promote Diversity & Inclusion

The Bank encourages the culture to be inclusive, promoting gender balance and respecting the contribution of all employees regardless of gender, age, race, disability or sexual orientation. As of 31 March 2020, Bank's total workforce was 74,140, out of which 23% are women employees. Women employees are spread across all levels of hierarchy, as well as geography. We have 27% women who represent the Bank's non-sales workforce, and intend to bolster these numbers further. With an objective of increasing diversity at the mid-senior level, the Bank recruited 20 women through We Lead, our leadership program for women, from premier management institutes of the country. Our new health care program also extended coverage for Partners and LGBT community.

Build Future Ready work force

The continuous success of any organisation is determined on how well it manages and motivates its people, as well as how it grooms talent and the leadership team. The Bank continues with its integrated performance and capability management philosophy. ACElerate is an objective performance management system linked to the performance of the businesses, which identifies and differentiates employees by performance level and concludes with a 2-day functional training program custom built basis the emerging learning themes. 13,000 employees as a part of the ACElerate learning programs were provided with differentiated learning experience in building & strengthening capabilities in Credit Risk, Process Excellence & Operations. The Bank institutionalizes a strong risk and compliance culture ensuring that adherence to the same is not the sole responsibility of specific employees, but should be part of the entire organization's culture.

Another area of focus is on personalised training and capability building to develop the right leaders and teams who are fit for the future. The Bank has a focused approach with the objective of addressing all capability gaps and preparing its employees to adapt to the fast changing external environment in order to meet its strategic objectives. A considerable number of employees were certified on the Axis Competency Profiler, the Bank's online certification platform, which assesses employees on their functional competence and creates a pool of functionally skilled employees. Learning academies in partnership with subject matter experts across Risk, Credit, Trade and Forex and Analytics further helped to solidify internal capabilities. The Bank has embarked on curating role-based Digital learning journeys and foster a "Driven to learn" culture. Strategic partnerships with virtual academia provides top talent access to comprehensive library of courses, available on-demand.

Health and Safety

In February 2020 even before the lockdown was implemented to combat the spread of COVID-19, the Bank had activated the Central Emergency Response Team (CERT) and Business Continuity Plan was implemented. The Bank laid down the Work from

Home (WFH) framework and guidelines cohesively with IT, HR and the Risk teams. Bank's IT & Operations teams worked round the clock to ensure that systems and processes run seamlessly. As a pioneering initiative, Bank launched a unified enterprise mobility & collaboration solution to enable business continuity through our personal devices from anywhere, at any time.

Consequent to the lockdown notification, Bank has mandated WFH for all non-branch employees. Branches have been operating for lesser hours with appropriate staffing, whilst relationship managers and sales staff have stayed virtually connected with customers through digital channels. Bank remained in continuous touch with employees conducting Interactive Webcasts, advisories, emails and Axis Value Realisation programme.

At Axis, health and safety of employees, customers as well as larger society is at the forefront. Bank launched 'With You Initiative', a psychological counselling and physical wellbeing support for employees and their families. In March, Bank advanced the payroll cycle to ensure employees are financially self-reliant during these testing times.

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 remains in 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 eighth largest player with over 5% share in the industry AUM, Axis Finance has grown its loan book at a 30% CAGR in last 5 years while delivering healthy returns. Axis is the only Bank to have two fintech properties- A.Treds in B2B and Freecharge in B2C space.

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 the year, the Bank has made significant senior talent infusions across its subsidiaries in Axis AMC, Axis Capital, Axis Finance and Axis Securities.

During fiscal 2020, the Bank's subsidiaries reported total income of ₹2,385 crores and earnings of ₹418 crores up 6% 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 (17 transactions across IPO, QIP and Rights). Axis Capital contributed 24% 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, that had 6 million client folios as at end of 31 March, 2020, reported strong growth in net profits by 121%. The company manages 55 mutual fund schemes with a closing AUM of ₹115,936 crores as compared to closing AUM of ₹87,746 crores as on 31 March, 2019. The company has improved its market share to 5% as on 31 March, 2020 and is ranked 8th amongst the mutual fund Industry in India.

During the year, Axis Securities business underwent restructuring with focus on brokerage business. The retail brokerage firm reported 8% growth in cumulative client base to 2.27 million. The subsidiary achieved a trading volume of ₹3,181,051 crores thereby registering a growth of 57% in fiscal 2020. During the same period, 1.77 lacs broking accounts were opened as compared to 2.57 lacs in the previous period.

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. As a result of higher investments, Axis Finance's net profit decreased by 15% YoY, but contributed 46% to total earnings of the subsidiaries.

Freecharge, one of the India's leading digital payment companies has a current user base of 79 million, GMV of ₹2,180 crores and 84.50 million transactions. With Digital Payments as a hook, the Bank continues to leverage the platform for digital distribution of retail products by targeting digitally native mobile first customers.

A.TReDs Limited, the Bank's subsidiary that was set up in partnership with m-Junction, was one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs. The Bank's digital invoice discounting platform 'Invoicemart' for MSMEs continues to do exceptionally well with market share of over 43% among all TReDS platforms. It currently has over 5,100 participants on the platform and has clocked ₹7,491 crores in financed throughput by e-discounting nearly 4.9 lakh invoices since start of its operation from July 2017.

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Safe Harbor

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

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Members of Axis Bank Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated July 29, 2019.
2. We have examined the compliance of conditions of Corporate Governance by Axis Bank Limited ('the Bank'), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the Management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Restriction on Use

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

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Purushottam Nyati

Partner
Membership No.118970
UDIN: 20118970AAAABQ4651
Place: Mumbai
Date: April 29, 2020

Corporate Governance

(Part of the Directors' Report for the year ended 31st March 2020)

(1) Philosophy on Code of Governance

Your Bank's policy on Corporate Governance has been:

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

(2) Board of Directors

I. Size and Composition of the Board

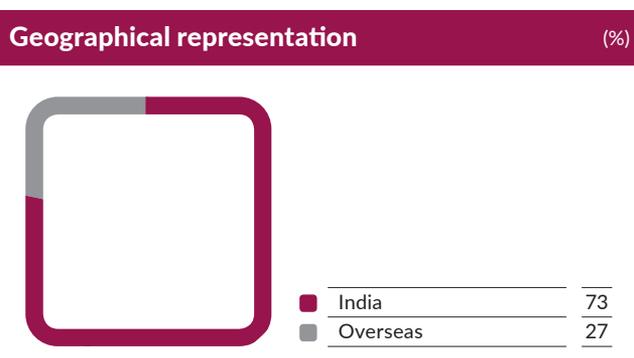
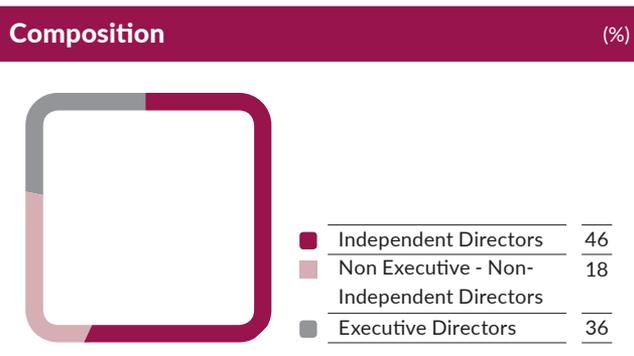
The composition of the Board of Directors of the Bank (the Board) is governed under the relevant provisions of the Companies Act, 2013 read with the relevant rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing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

The Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-third of its total strength. The Board has 11 Directors, comprising of 5 Independent Directors, 1 Managing Director & CEO, 3 Executive Directors and 2 Nominee Directors.

The Board is led by Non-Executive (Part-Time) Chairman, who is an Independent Director. The Board comprises of nominees of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI), 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). In terms of Article 90(1)(c) of the Articles of Association of the Bank, Life Insurance Corporation of India, Promoter of the Bank, has a right to nominate one Director on the Board of the Bank. The Board also has 1 Woman Director who is an Independent Director.

None of the Directors or their relatives are related to each other. The Board has confirmed and taken on record the declaration of Independence, which has been submitted by all the Independent Directors of the Bank, and after having undertaken a due assessment of the veracity of the same, the Board has formed an opinion that all the Independent Directors fulfill the criteria/ conditions relating to independence, as specified in the Companies Act, 2013 and the Listing Regulations, relating to Corporate Governance and that they are independent of the Management.

In terms of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, all the Independent Directors of the Bank have enrolled their names in the online databank of Independent Directors maintained by the Government. All the Independent Directors of the Bank have undertaken to comply with the requirements relating to passing of online proficiency self-assessment test, as applicable to them, within the timelines prescribed in the said Rules.



II. Board Diversity

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

Section 10A(2) of the Banking Regulation Act, 1949 read with RBI notification no.DBR.Appt. BC.No.38/29.39.001/2016-17 dated 24th November 2016, requires that not less than 51% of the total number of members of the Board of Directors of a banking company should comprise of persons who shall have special knowledge or practical experience, in respect of one or more of the matters stated hereunder, out of which not less than two shall be persons having special knowledge or practical experience, in respect of agriculture and rural economy, co-operation or small scale industry:

• 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 Bank is in compliance with the aforesaid requirements as prescribed under Section 10A (2) of the Banking Regulation Act, 1949. Further, the Bank periodically reviews and identifies the skills/ expertise/ competencies, which are required to be possessed by its members, in the context of the needs of its businesses, for it to function effectively.

The Board has diverse combination of special knowledge, expertise and practical experience as relevant for the banking business. The details of skills/ expertise/ competencies of the Directors of the Bank, as provided by them, are detailed as under:

Sr. No.	Name of the Director	Special Knowledge / Practical Experience
1.	Shri Rakesh Makhija	Industry & Technology Business Management
2.	Shri Amitabh Chaudhry	Finance Banking Insurance Business Management Information Technology
3.	Shri Rohit Bhagat	Finance Risk Management
4.	Shri S. Vishvanathan	Banking Small Scale Industry Agriculture and Rural Economy Risk Management Treasury Capital Markets
5.	Smt. Ketaki Bhagwati	Finance Risk Management Business Management
6.	Shri B. Baburao	Finance Industry & Technology Investments Capital Markets Operations Business Management
7.	Shri Stephen Pagliuca	Finance Technology Media Telecommunications Financial Services Business
8.	Shri Girish Paranjpe	Accountancy Finance and Business Management Information Technology
9.	Shri Rajiv Anand	Finance Business Management
10.	Shri Rajesh Dahiya	Human Resources Business Management Agricultural Input Distribution & Sales Manufacturing
11.	Shri Pralay Mondal	Agriculture & Rural Economy Banking Risk Management

The brief profile of the Directors of the Bank have been uploaded on the website of the Bank <https://www.axisbank.com/about-us>.

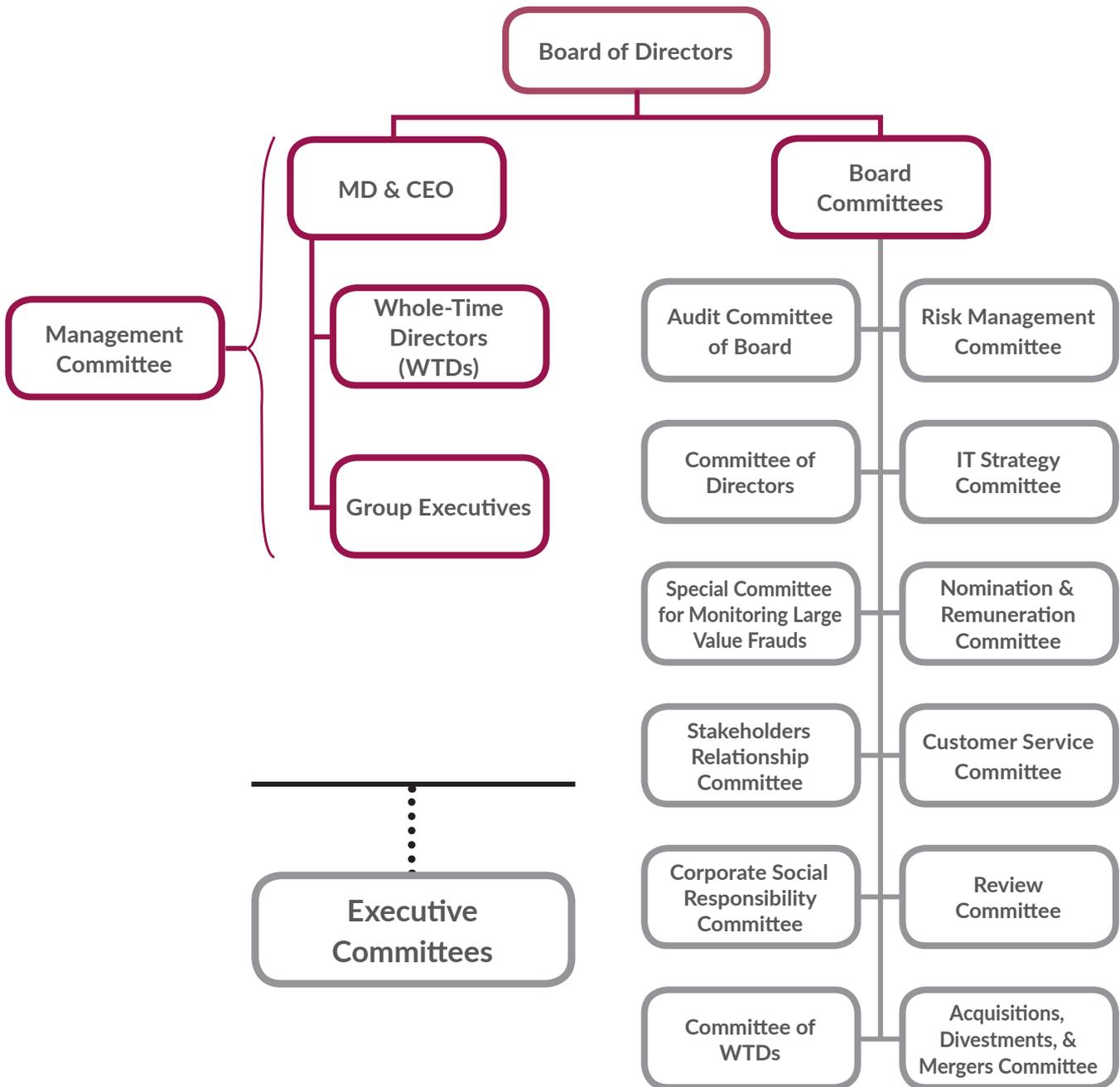
(3) Governance Structure of the Bank

The Bank has a governance structure to enhance shareholders' value and protect the interests of its stakeholders with a sharp focus on improving the corporate performance, through transparency, meritocracy and accountability.

The Board of Directors is the primary direct stakeholder influencing standards of corporate governance at the Bank. The Directors of the Bank are appointed by the Shareholders and they represent the interest of the Shareholders of the Bank. The Managing Director & CEO reports to the Board of the Bank and is entrusted with substantial powers to manage the affairs of the Bank. The Board has constituted various Committees and routinely delegates specific matters for a more

focused review. The Bank has constituted/ empowered Executive Committees to inter alia deal with routine, operational, administrative matters and to review various matters before its submission to the Board/ Committees. The Bank has appointed officials at senior levels who are independent of the management and to provide an independent view to the concerned Board/ Committees. This enhances the overall governance standards and helps strengthen the compliances within the Bank.

The diagrammatic representation of the Governance structure of the Bank, is as under:



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

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

Accordingly, the Board deliberates on matters such as business strategy, risk, financial results, succession planning, compliance, customer service, information technology and human resources as covered under the seven critical themes prescribed by the RBI and matters as prescribed under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations relating to Corporate Governance and Circulars/Guidelines issued by the RBI, in this regard from time to time.

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 long-term strategy of the Bank. The Board oversees the actions and results of the Management to ensure that the long-term objectives of enhancing shareholders value are met. The Board 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 its Charter formulated and adopted by the Bank, in terms of the relevant provisions of the Companies Act, 2013, the relevant Rules made there under, the Listing Regulations, the Banking Regulation Act, 1949, the Circulars/ Guidelines issued by the RBI, in this regard, from time to time and the Articles of Association of the Bank. During the year, the Board has reviewed its Charter and approved the relevant amendments to the same.

Role of Independent Directors

Shri Rakesh Makhija, Shri Rohit Bhagat, Shri S. Vishvanathan, Smt. Ketaki Bhagwati and Shri Girish Paranjpe are the Independent Directors of the Bank. The role of an Independent Director is to help in bringing an independent judgment to bear on the Board's deliberations especially on the issues pertaining to strategy, performance, risk management, resources, key appointments and standards of conduct. They bring an objective view in the evaluation of the performance of board and management, scrutinising the performance of management in meeting agreed goals and objectives and monitoring the outcome of performance. Independent Directors are responsible for safeguarding the interests of all the stakeholders, particularly the minority shareholders and to balance the conflicting interest amongst the stakeholders.

Role of Managing Director and CEO

Shri Amitabh Chaudhry is the Managing Director & CEO of the Bank. He reports to the Board of the Bank and is vested with substantial powers for managing the affairs of the Bank, subject to the overall superintendence, control, guidance and direction of the Board. He has the authority to enter into contracts for and on behalf of the Bank in the ordinary course of its business and to perform all such acts, deeds, matters and things, which in the ordinary course of its business, as the Managing Director & CEO of the Bank, he may consider necessary or appropriate to perform, in the business interest of the Bank. He is also a Key Managerial Personnel of the Bank, pursuant to the provisions of Section 203(1) read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Role of Whole-Time Directors

Shri Rajiv Anand, Executive Director (Wholesale Banking), Shri Rajesh Dahiya, Executive Director (Corporate Centre) and Shri Pralay Mondal, Executive Director (Retail Banking) are the Whole-Time Directors and Key Managerial Personnel of the Bank. They report directly to the Managing Director & CEO of the Bank. They are responsible for specific functions as assigned to them by the Managing Director & CEO or by the Board, from time to time.

II. Meetings of the Board/Committees

Schedule of the meetings

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

Agenda for the meetings

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

The agenda for the meetings of the Board/ Committees is prepared based on inputs received from the concerned departments of the Bank and finalized in consultation with the Chairman of the Board / Committees. The agenda notes 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. All the agenda notes of the Board / Committees are circulated to the Members of the Board / Committees through a secured web-based portal to facilitate easy access of agenda on iPad/the computer. The agenda notes and presentations are prepared and presented in a manner, which enables the Board/ Committees to take an informed decision. The Members of the Board/ Committees are free to recommend inclusion of any item in the agenda for discussion.

Framework for Monitoring and Implementation of the Directions of the Board

The Board has approved a "Framework for Monitoring and Implementation of the Directions of the Board". In terms of this Framework, any actionable arising from the deliberations at the meetings is recorded in the minutes and forms part of the Action Taken Report, to be reviewed at the subsequent meetings of the Board/Committees. The status of implementation of all actionables relating to Board/ Committees, is reviewed by the Board, on a quarterly basis.

Minutes of the meetings

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

In case of business exigencies or urgency of matters, resolutions are also passed by the Board/Committees through circulation. Videoconferencing facility is used extensively to facilitate participation of Directors, who are unable to attend the meetings, in person.

In all, 10 meetings of the Board were held during the Financial Year 2019-20, i.e. on 25th April 2019, 22nd May 2019, 25th June 2019, 20th July 2019, 30th July 2019, 21st October 2019, 22nd January 2020, 27th February 2020, 13th March 2020 and 18th March 2020. 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 the Financial Year 2019-20.

Out of the 10 Board Meetings held during the year, 9 meetings of the Board held on 25th April 2019, 22nd May 2019, 25th June 2019, 20th July 2019, 30th July 2019, 21st October 2019, 27th February 2020, 13th March 2020 and 18th March 2020 were conducted through video conference.

The Board has accepted and implemented all the recommendations, including mandatory recommendations, made by the Committees at its meetings held during the Financial Year 2019-20.

The name, age, category of Directors, details of the Board Meetings attended by them during the Financial Year 2019-20 along with sitting fees paid to them for attending the said meetings, and their attendance at the 25th Annual General Meeting of the Bank (AGM), are given below:

Sr. No.	Name of the Director	DIN	Age	Category	Board Meetings attended during the year	Sitting fees (in ₹)	Attendance at last AGM (20 th July 2019)
1.	Shri Rakesh Makhija	00117692	68	Independent Director & Non-Executive (Part-Time) Chairman	10/10	10,00,000	Yes
2.	Dr. Sanjiv Misra ¹	03075797	72	Independent Director & Non-Executive (Part-Time) Chairman	3/3	3,00,000	NA
3.	Shri Amitabh Chaudhry	00531120	55	Managing Director & CEO	10/10	-	Yes
4.	Prof. Samir K. Barua ²	00211077	68	Independent Non-Executive	4/4	4,00,000	Yes
5.	Shri Som Mittal ³ ®	00074842	68	Independent Non-Executive	5/6	5,00,000	Yes
6.	Shri Rohit Bhagat ⁴ ®	02968574	56	Independent Non-Executive	9/10	9,00,000	Yes
7.	Smt. Usha Sangwan ⁴ ®	02609263	61	Nominee Director – Life Insurance Corporation of India (LIC) [Equity Investor] – Promoter	3/6	3,00,000	No
8.	Shri S. Vishvanathan ⁵	02255828	65	Independent Non-Executive	10/10	10,00,000	Yes
9.	Smt. Ketaki Bhagwati	07367868	56	Independent Non-Executive	10/10	10,00,000	Yes
10.	Shri B. Baburao	00425793	61	Nominee Director – Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) [Equity Investor] – Promoter	10/10	10,00,000	Yes
11.	Shri Stephen Pagliuca ⁶ ®	07995547	65	Nominee Director – Entities affiliated to BAIN Capital [Equity Investor]	9/10	9,00,000	No
12.	Shri Girish Paranjpe	02172725	62	Independent Non-Executive	10/10	10,00,000	Yes
13.	Shri Rajiv Anand ⁶ ®	02541753	54	Executive Director (Wholesale Banking)	9/10	-	Yes
14.	Shri Rajesh Dahiya ⁷ ®	07508488	52	Executive Director (Corporate Centre)	9/10	-	Yes
15.	Shri Pralay Mondal ⁸	00117994	54	Executive Director (Retail Banking)	5/5	-	NA

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

¹ Ceased to be the Non-Executive (Part-Time) Chairman and Director of the Bank, w.e.f. the close of business hours on 17th July 2019.

² Ceased to be an Independent Director of the Bank, on expiry of his tenure, w.e.f. the close of business hours on 21st July 2019.

³ Ceased to be an Independent Director of the Bank, on expiry of his tenure, w.e.f. the close of business hours on 21st October 2019.

⁴ Ceased to be a Nominee Director of the Bank, w.e.f. 12th December 2019.

⁵ Re-appointed as Independent Director of the Bank, for a period of 3 years, w.e.f. 11th February 2020.

⁶ Re-appointed as Executive Director (Wholesale Banking) of the Bank, for a period of 3 years w.e.f. 4th August 2019.

⁷ Re-appointed as Executive Director (Corporate Centre) of the Bank, for a period of 3 years w.e.f. 4th August 2019.

⁸ Appointed as Executive Director (Retail Banking) of the Bank, for a period of 3 years, w.e.f. 1st August 2019.

The details of other Directorships and Memberships / Chairmanships in Board Committees of other Companies and the category thereof held by the Directors, as on 31st March 2020, are given below:

Designation/Category	Directorship in other listed companies, in India	Number of other Directorships in unlisted companies		Number of Memberships in Board Committees ⁽ⁱⁱ⁾
		of Indian Public Limited Companies	of other companies ⁽ⁱ⁾	
Name of the Director	Name of the Companies & Designation			
Non-Executive (Part-Time) Chairman & Independent Director				
Shri Rakesh Makhija	Castrol India Limited (Independent Director)	2	0	3 (1)
Nominee Director – SUUTI				
Shri B. Baburao	NIL	2	0	1(1)
Nominee Director – Entities affiliated to BAIN Capital				
Shri Stephen Pagliuca	NIL	0	5	0
Independent Directors				
Shri Rohit Bhagat	NIL	0	4	0
Shri S. Vishvanathan	Orient Paper & Industries Limited (Independent Director)	2	0	4(0)
Smt. Ketaki Bhagwati	Bayer Crop Science Limited (Independent Director)	1	1	0
Shri Girish Paranjpe	CRISIL Limited (Independent Director)	1	3	2(1)
Managing Director & CEO/Whole Time Directors				
Shri Amitabh Chaudhry, Managing Director & CEO	NIL	3	0	0
Shri Rajiv Anand, Executive Director - (Wholesale Banking)	NIL	3	2	1
Shri Rajesh Dahiya, Executive Director – (Corporate Centre)	NIL	2	0	0
Shri Pralay Mondal Executive Director - (Retail Banking)	NIL	2	0	0

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

Notes:

- All the Directors of the Bank, are in compliance with the applicable provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations, the Banking Regulation Act, 1949 and the guidelines issued by the RBI, relating to maximum number of Directorships and Committee memberships.
- All the Directors of the Bank have submitted their annual declarations as required under the Companies Act, 2013 and the relevant Rules made thereunder, the Listing Regulations, the Banking Regulation Act, 1949 and the guidelines issued by the RBI, in this regard, from time to time.

III. Board Committees

The business of the Board is also conducted through the various Committees constituted by the Board to deal with specific matters as per delegated powers for different functional areas of the Bank and as mandated under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations, Banking Regulation Act, 1949, Circulars/ Guidelines issued by the RBI, in this regard, from time to time and the Articles of Association of the Bank.

During the year, pursuant to the resignation/ retirement/ appointment of Directors of the Bank and as part of the Succession Planning Process of the Bank, the Chairman of Board and Chairman of the Nomination and Remuneration Committee have, reviewed and approved changes to the composition of certain Board Committees.

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

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

The table showcasing the composition of the Committees of the Bank, is given below:

Sr. No.	Name of the Director	Category	COD	ACB	RMC	SRC	NRC	LVF	CSC	IT	CSR	RC	ADAM	COWTD
1.	Shri Rakesh Makhija	Independent Non-Executive (Part-Time) Chairman	-	Member	-	-	Member	Member	-	-	Member	-	Member	-
2.	Shri Amitabh Chaudhry	Managing Director & CEO	Member	-	Member	-	-	Member	Member	Member	-	Member	Member	Member
3.	Shri Rohit Bhagat	Independent Non-Executive	-	-	Member	-	Member	-	-	-	-	-	Member	-
4.	Shri S. Vishvanathan	Independent Non-Executive	Member	Member	-	Member	-	-	-	-	-	Member	-	-
5.	Smt. Ketaki Bhagwati	Independent Non-Executive	Member	-	Member	-	-	-	-	-	-	Member	Member	-
6.	Shri B. Baburao	Nominee Director - Administrator of the Specified Undertaking of Unit Trust of India (SUUTI)	Member	Member	-	Member	-	Member	Member	-	-	-	-	-
7.	Shri Stephen Pagliuca	Nominee Director - Entities affiliated to BAIN Capital	-	-	-	-	Member	-	-	-	-	-	-	-
8.	Shri Girish Paranjpe	Independent Non-Executive	-	Member	-	-	-	-	Member	Member	-	-	-	-
9.	Shri Rajiv Anand	Executive Director (Wholesale Banking)	Member	-	-	-	-	Member	-	-	Member	-	-	Member
10.	Shri Rajesh Dahiya	Executive Director (Corporate Centre)	-	-	-	Member	-	Member	-	-	Member	-	-	Member
11.	Shri Pralay Mondal	Executive Director (Retail Banking)	-	-	-	-	-	-	Member	Member	-	-	-	Member

Member Chairman

In view of the increase in the duties, roles and responsibilities of the Non-Executive Directors and also in view of the increase in the time commitment required, the Board at its meeting held on 22nd January 2020 approved a revision in the sitting fees payable to the Non-Executive Directors of the Bank in respect of the following key Committees viz. Nomination and Remuneration Committee, Audit Committee, Committee of Directors, Risk Management Committee and IT Strategy Committee of the Board, from ₹ 50,000/- to ₹ 1,00,000/- per meeting, with effect from 1st February 2020. The sitting fees with respect to other Board Committees remain unchanged at ₹ 50,000/- per meeting.

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

(1) Committee of Directors

The Committee of Directors of the Board of Director of the Bank (Committee of Directors) comprises of 5 members out of which 2 are Independent Directors.

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

- i) To review loans sanctioned by Senior Management Committee (SMC), provide approvals for loans as per the limits stipulated in the Corporate Credit Policy of the Bank, as amended, from time to time, and to discuss strategic issues in relation to credit policy and deliberate on the quality of the credit portfolio of the Bank.
- ii) To monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals, in respect of loan accounts which have been written off.
- iii) To sanction revenue expenditures relating to the Bank's business/operations covering all its departments and business segments, above certain stipulated limits.
- iv) To review the cases of Technical Write-Off of NPA Accounts on a quarterly basis.
- v) To review investment strategy, periodically review investments made and approve investment related proposals above certain limits.
- vi) To review and approve proposals relating to the Bank's business/operations covering all its departments and business segments.

In all 17 meetings of the Committee of Directors were held during the Financial Year 2019-20 i.e. on 24th April 2019, 22nd May 2019, 25th June 2019, 18th July 2019, 22nd July 2019, 26th August 2019, 9th September 2019, 16th September 2019, 26th September 2019, 15th October 2019, 31st October 2019, 19th November 2019, 19th December 2019, 24th January 2020, 13th February 2020, 9th March 2020 and 19th March 2020.

The meetings held on 18th July 2019, 22nd July 2019, 26th August 2019, 9th September 2019, 16th September 2019, 19th November 2019, 13th February 2020, 9th March 2020 and 19th March 2020, were conducted through video conference.

The details of the meetings of the Committee of Directors attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Shri S. Vishvanathan, Chairman	Independent Director	17/17	10,00,000
Shri Amitabh Chaudhry [®]	Managing Director & CEO	13/17	-
Smt. Ketaki Bhagwati [®]	Independent Director	16/17	9,50,000
Shri B. Baburao	Non-Executive (Nominee Director-SUUTI)	17/17	10,00,000
Shri Rajiv Anand [®]	Executive Director-(Wholesale Banking)	12/17	-

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

(2) Audit Committee of Board

The Audit Committee of the Board of Directors of the Bank (Audit Committee) comprises of 4 members, out of which 3 are Independent Directors. The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise.

Prof. Samir Barua ceased to be Member and Chairman of the Audit Committee, with effect from the close of business hours on 21st July 2019. Shri Girish Paranjpe, Independent Director of the Bank was appointed as the Chairman of the Audit Committee with effect from 22nd July 2019.

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

- i) To provide direction and to oversee the operation of the audit function.

- ii) To review the internal audit system with special emphasis on its quality and effectiveness and status of compliance with respect to Risk Assessment Report, Risk Mitigation Plan, Scrutiny Reports issued by RBI.
- iii) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors), approve the appointment, re-appointment, remuneration and terms of appointment of statutory auditors and payments to statutory auditors for any other services rendered by them.
- iv) To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- v) To review, with the management, quarterly as well as the annual financial statements and auditor's report thereon before submission to the Board for approval with special emphasis on accounting policies and practices, compliance with accounting standards, disclosure of related party transactions and other legal requirements relating to financial statements.
- vi) Oversee the implementation of Compliance Policy and review the compliance function on half-yearly and annual basis ensuring that all compliance issues are resolved effectively.
- vii) To review functioning of the Whistle Blower and Vigilance mechanism.
- viii) To approve any subsequent modification of transactions of the Bank that shall involve related parties.
- ix) To review 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.
- x) To review all matters as specified by RBI in the circular on Calendar of Reviews as per RBI Circular dated 10th November 2010 and notifications thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and rules made thereunder.

The Chief Audit Executive (CAE), Chief Compliance Officer (CCO) and Chief Financial Officer of the Bank attend the meetings of the Audit Committee. Shri Charanjit Singh is the CAE of the Bank. Shri Rudrapriyo Ray is the CCO and Chief Vigilance Officer of the Bank. The Executive Directors are permanent invitees to the meetings of the Audit Committee. The CAE of the Bank directly reports to the Audit Committee. The Company Secretary of the Bank acts as the secretary to the Audit Committee. Prof. Samir Barua, the former Chairman of the Audit Committee had attended the Twenty Fifth Annual General Meeting of the Shareholders of the Bank.

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

In all 10 meetings of the Audit Committee were held during the Financial Year 2019-20 i.e. on 25th April 2019, 22nd May 2019, 26th June 2019, 30th July 2019, 17th September 2019, 22nd October 2019, 18th December 2019, 13th January 2020, 22nd January 2020 and 17th March 2020.

The meeting held on 17th March 2020, was conducted through video conference.

The details of the meetings of the Audit Committee attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Prof. Samir K. Barua, Chairman ¹	Independent Director	3/3	1,50,000
Shri Girish Paranjpe, Chairman [®]	Independent Director	9/10	5,00,000
Shri S. Vishvanathan [®]	Independent Director	9/10	5,00,000
Shri Rakesh Makhija	Independent Director	10/10	5,50,000
Shri B. Baburao	Non-Executive (Nominee Director-SUUTI)	10/10	5,50,000

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

¹ Ceased to be a Member, w.e.f. the close of business hours on 21st July 2019.

(3) Risk Management Committee

The Risk Management Committee of the Board of Directors of the Bank (Risk Management Committee) comprises of 3 members out of which 2 are Independent Directors.

Prof. Samir Barua ceased to be a Member and Chairman of the Risk Management Committee, with effect from the close of business hours on 21st July 2019. Smt. Ketaki Bhagwati, Independent Director of the Bank was appointed as the Chairperson of the Risk Management Committee, with effect from 22nd July 2019.

Dr. Sanjiv Misra ceased to be a Member of the Risk Management Committee, with effect from the close of business hours on 17th July 2019.

Smt. Usha Sangwan ceased to be a Member of the Risk Management Committee, with effect from 12th December 2019.

Shri Rajiv Anand ceased to be a Member of the Risk Management Committee, with effect from 20th January 2020.

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

- i) Framing and governing of the risk strategy and approving and reviewing the risk appetite of the Bank.
- ii) Ensuring that sound policies, procedures and practices are in place to manage its risks.
- iii) Establishing a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk etc. in order to ensure that the risk profile is adequately diversified.
- iv) Reviewing the Risk Management Framework formulated and adopted by the Bank taking into account the nature, size and complexity of the businesses undertaken by the Bank and recommending the same for the approval of the Board.
- v) To review the Risk Management Plan with respect to Cyber Security and monitor the implementation of the measures recommended by the IT Strategy Committee of Directors of the Bank, to mitigate any risk arising therefrom.
- vi) Ensuring compliance with requirements/guidance on risk management issued by RBI and other regulators.
- vii) To assess the internal and external risks, risks associated with systems, processes, individual platforms, adopted by the Bank, from time to time etc.

The Chief Risk Officer (CRO) of the Bank reports directly to the Managing Director & CEO of the Bank. Shri Amit Talgeri is the CRO of the Bank. The CRO of the Bank oversees the risk management function and is responsible for developing and setting the risk management framework, developing and maintaining systems and processes to identify, approve, measure, monitor, control and report risks, developing risk controls and mitigation processes, ensuring adherence to the Risk Appetite established by the Board. The CRO of the Bank is independent of the business lines and is actively involved in key decision making processes that impact the risk profile of the Bank. The CRO of the Bank also meets the Risk Management Committee without the presence of executive management of the Bank. The Bank has formulated and adopted a Policy defining the roles and responsibilities of the CRO, in terms of the guidelines issued by the RBI. Shri Amit Talgeri is the CRO of the Bank.

In all, 4 meetings of the Risk Management Committee were held during the Financial Year 2019-20 i.e. on 25th June 2019, 1st August 2019, 21st October 2019 and 21st January 2020.

The meetings held on 25th June 2019 and 1st August 2019, were conducted through video conference.

The details of the meetings of the Risk Management Committee attended by the Members during the year 2019-20, are given below:

			(in ₹)
Name of the Members	Designation	Attendance	Sitting fees
Prof. Samir K. Barua, Chairman ¹	Independent Director	1/1	50,000
Smt. Ketaki Bhagwati, Chairperson	Independent Director	4/4	2,00,000
Shri Amitabh Chaudhry	Managing Director & CEO	4/4	-
Dr. Sanjiv Misra ²	Independent Director	1/1	50,000
Shri Rohit Bhagat	Independent Director	4/4	2,00,000
Smt. Usha Sangwan ³	Non-Executive (Nominee Director - LIC)	2/3	1,00,000
Shri Rajiv Anand ⁴	Executive Director (Wholesale Banking)	3/3	-

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

1) Ceased to be a Member, w.e.f. the close of business hours on 21st July 2019.

2) Ceased to be a Member, w.e.f. the close of business hours on 17th July 2019.

3) Ceased to be a Member, w.e.f. 12th December 2019.

4) Ceased to be a member w.e.f. 20th January 2020.

(4) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors of the Bank (Stakeholders Relationship Committee) comprises of 3 members out of which 1 is an Independent Director.

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

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

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

1 meeting of the Stakeholders Relationship Committee was held during the Financial Year 2019-20 on 15th October 2019. No meeting of the said Committee was conducted through video conference.

The details of the meetings of the Stakeholders Relationship Committee attended by the Members during the year 2019-20, are given below:

			(in ₹)
Name of the Members	Designation	Attendance	Sitting fees
Shri B. Baburao, Chairman	Non-Executive (Nominee Director-SUUTI)	1/1	50,000
Shri S. Vishvanathan	Independent Director	1/1	50,000
Shri Rajesh Dahiya	Executive Director (Corporate Centre)	1/1	-

(5) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors of the Bank (Nomination and Remuneration Committee) comprises of 3 members out of which 2 are Independent Directors.

Shri Rohit Bhagat was appointed as the Chairman of the Nomination and Remuneration Committee with effect from 25th June 2019.

Shri Som Mittal ceased to be a Member of the Nomination and Remuneration Committee, with effect from the close of business hours on 21st October 2019.

Shri Rohit Bhagat, Chairman of the Nomination and Remuneration Committee attended the Twenty Fifth Annual General Meeting of the Shareholders of the Bank.

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

- i) To evaluate the succession planning process adopted by the Bank and recommend the appointment / re-appointment of Individual & Independent Directors, Whole Time Directors and Senior Management along with the terms of appointment including remuneration.
- ii) To set the goals, objectives and performance benchmarks for the Bank, Whole Time Directors & senior management and review the performance as per the timelines.
- iii) To review and recommend to the Board the overall remuneration framework and the compensation decisions for the financial year.
- iv) To review the organization structure of the Bank and recommend to the Board the talent management, succession policy and process, creation of new positions one level below the MD & CEO of the Bank.
- v) Formulate the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Bank, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.
- vi) Consider and approve the Stock based compensation for all the employees of the Bank including the Managing Director & CEO, other Whole-time Directors, Senior Management and other eligible employees of the Bank, in terms of the relevant provisions of the SEBI (Share Based Employee Benefits) Regulations, 2015, as amended, from time to time.

In all, 6 meetings of the Nomination and Remuneration Committee were held during the Financial Year 2019-20 i.e. on 25th April 2019, 14th May 2019, 24th October, 2019, 21st January 2020, 28th February 2020 and 18th March 2020.

The meetings held on 25th April 2019, 14th May 2019, 24th October 2019, 21st January 2020 and 18th March 2020, were conducted through video conference.

The details of the meetings of the Nomination and Remuneration Committee attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Shri Rohit Bhagat, Chairman	Independent Director	6/6	4,00,000
Shri Rakesh Makhija	Independent Director	6/6	4,00,000
Shri Som Mittal ¹	Independent Director	2/2	1,00,000
Shri Stephen Pagliuca [@]	Non-Executive (Nominee Director-Entities affiliated to BAIN Capital)	5/6	3,00,000

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

1) Ceased to be a Member, w.e.f. the close of business hours on 21st October 2019.

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

The Special Committee of the Board of Directors for Monitoring of Large Value Frauds of the Bank (Special Committee for Monitoring of Large Value Frauds) comprises of 5 members out of which 1 is an Independent Director.

Prof. Samir Barua ceased to be a Member and Chairman of the Special Committee for Monitoring of Large Value Frauds, with effect from the close of business hours on 21st July 2019. Shri B. Baburao, Non-Executive Director of the Bank was appointed as the Chairman of the Special Committee for Monitoring of Large Value Frauds with effect from 22nd July 2019.

Smt. Usha Sangwan ceased to be a Member of the Special Committee for Monitoring of Large Value Frauds, with effect from 12th December 2019.

Shri Rajiv Anand, Executive Director (Wholesale Banking) was inducted as a Member of Special Committee for Monitoring of Large Value Frauds, with effect from 18th December 2019.

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

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

In all, 4 meetings of Special Committee for Monitoring of Large Value Frauds were held during the financial Year 2019-20 i.e. on 22nd May 2019, 17th September 2019, 19th December 2019 and 16th March 2020.

The meetings held on 22nd May 2019, 17th September 2019 and 16th March 2020, were conducted through video conference.

The details of the meetings of the Special Committee for Monitoring of Large Value Frauds attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Prof. Samir Barua, Chairman ¹	Independent Director	1/1	50,000
Shri B. Baburao, Chairman	Non-Executive (Nominee Director-SUUTI)	4/4	2,00,000
Shri Amitabh Chaudhry	Managing Director & CEO	4/4	-
Shri Rakesh Makhija	Independent Director	4/4	2,00,000
Smt. Usha Sangwan ²	Non-Executive (Nominee Director-LIC)	2/2	1,00,000
Shri Rajesh Dahiya	Executive Director (Corporate Centre)	4/4	-
Shri Rajiv Anand ³	Executive Director (Wholesale Banking)	2/2	-

1) Ceased to be a Member, w.e.f. the close of business hours on 21st July 2019.

2) Ceased to be a Member, w.e.f. 12th December 2019.

3) Inducted as a member w.e.f. 18th December 2019.

(7) **Customer Service Committee**

The Customer Service Committee of the Board of Directors of the Bank (Customer Service Committee) comprises of 4 members out of which 1 is an Independent Director.

Shri Som Mittal ceased to be a Member and Chairman of the Customer Service Committee, with effect from the close of business hours on 21st October 2019. Shri Amitabh Chaudhry, Managing Director & CEO of the Bank was appointed as the Chairman of the Customer Service Committee, with effect from 22nd October 2019.

Smt. Usha Sangwan ceased to be a Member of the Customer Service Committee, with effect from 12th December 2019.

Shri Pralay Mondal, Executive Director (Retail Banking) was inducted as a Member of the Customer Service Committee, with effect from 16th September 2019.

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

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

In all, 4 meetings of the Customer Service Committee were held during the financial Year 2019-20 i.e. on 26th April 2019, 31st July 2019, 13th December 2019 and 12th February 2020.

The meetings held on 26th April 2019 and 31st July 2019, were conducted through video conference.

The details of the meetings of the Customer Service Committee attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Shri Som Mittal, Chairman ¹	Independent Director	2/2	1,00,000
Shri Amitabh Chaudhry, Chairman	Managing Director & CEO	4/4	-
Shri Girish Paranjpe	Independent Director	4/4	2,00,000
Smt. Usha Sangwan @ ²	Non-Executive (Nominee Director-LIC)	1/2	50,000
Shri B. Baburao	Non-Executive (Nominee Director - SUUTI)	4/4	2,00,000
Shri Pralay Mondal ³	Executive Director (Retail Banking)	2/2	-

@ Leave of absence was granted to Smt. Usha Sangwan, who had expressed her inability to attend the respective meeting.

1) Ceased to be a Member, w.e.f. the close of business hours on 21st October 2019.

2) Ceased to be a Member, w.e.f. 12th December 2019.

3) Inducted as a Member, w.e.f. 16th September 2019.

(8) IT Strategy Committee

The IT Strategy Committee of the Board of Directors of the Bank (IT Strategy Committee) comprises of 3 members out of which 1 is an Independent Director.

Shri Som Mittal ceased to be a Member and Chairman of the IT Strategy Committee, with effect from the close of business hours on 21st October 2019. Shri Girish Paranjpe, Independent Director of the Bank was appointed as the Chairman of the IT Strategy Committee with effect from 22nd October 2019.

Shri Rajiv Anand, Executive Director (Wholesale Banking) ceased to be a Member of the IT Strategy Committee, with effect from 16th September 2019.

Shri Pralay Mondal, Executive Director (Retail Banking) was inducted as a Member of the IT Strategy Committee, with effect from 16th September 2019.

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

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

- v) 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.

In all, 4 meetings of IT Strategy Committee were held during the Financial Year 2019-20 i.e. on 16th May 2019, 9th August 2019, 13th December 2019 and 12th February 2020.

The meeting held on 16th May 2019, was conducted through video conference.

The details of the meetings of the IT Strategy Committee attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Shri Som Mittal, Chairman ¹	Independent Director	2/2	1,00,000
Shri Girish Paranjpe, Chairman	Independent Director	4/4	2,50,000
Shri Amitabh Chaudhry	Managing Director & CEO	4/4	-
Shri Rajiv Anand ²	Executive Director (Wholesale Banking)	2/2	-
Shri Pralay Mondal ³	Executive Director (Retail Banking)	2/2	-

1) Ceased to be a Member, w.e.f. the close of business hours on 21st October 2019.

2) Ceased to be a Member, w.e.f. 16th September 2019.

3) Inducted as a Member, w.e.f. 16th September 2019.

(9) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors of the Bank (CSR Committee) comprises of 3 members out of which 1 is an Independent Director.

Shri Som Mittal ceased to be a Member and Chairman of the CSR Committee, with effect from the close of business hours on 21st October 2019.

Shri Rakesh Makhija, Independent Director of the Bank was inducted as a member of the CSR Committee, with effect from 16th September 2019. He became Chairman of the Committee w.e.f. 22nd October 2019.

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

- 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 financial year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Bank.
- iii) Recommend the amount of expenditure to be incurred on the CSR activities and undertaking a review, monitoring and evaluation of the initiatives to ensure compliance against agreed targets.
- iv) Review the amounts spent on the CSR projects/ programs during the financial year and the amounts unspent as at the end of the financial year, ascertain reasons thereof and issue appropriate directions on unspent CSR amounts, in terms of Section 135(5) of the Companies Act, 2013.
- v) Instituting a transparent monitoring mechanism to ensure implementation of the CSR projects/programs/ activities and conducting impact assessment of the various initiatives at periodic intervals.
- vi) Reviewing and recommending the annual CSR report for the Board's approval and for public disclosure.
- vii) Periodically review the activities undertaken by the Bank to promote sustainable business/ non-business practices and relevant disclosure in the Annual Sustainability Report of the Bank.

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

In all, 4 meetings of CSR Committee were held during the Financial Year 2019-20 i.e. on 16th May 2019, 16th September 2019, 19th December 2019 and 16th March 2020.

The meetings held on 16th May 2019 and 16th March 2020, were conducted through video conference.

The details of the CSR Committee meetings attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Shri Rakesh Makhija, Chairman ¹	Independent Director	3/3	1,50,000
Shri Som Mittal ²	Independent Director	2/2	1,00,000
Shri Rajesh Dahiya	Executive Director (Corporate Centre)	4/4	-
Shri Rajiv Anand [@]	Executive Director (Wholesale Banking)	3/4	-

@ Leave of absence was granted to Shri Rajiv Anand who had expressed his inability to attend the respective meeting.

1) Inducted as a Member, w.e.f. 18th September 2019.

2) Ceased to be a Member, w.e.f. the close of business hours on 21st October 2019.

(10) Review Committee

The Review Committee of the Board of Directors of the Bank (Review Committee) comprises of 3 members out of which 2 are Independent Directors.

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

- 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 the of RBI Master Circular No. RBI/2015-16/100 DBR.No.CID. BC.22/20.16.003/2015-16.
- ii) To review and confirm the Order(s) passed by the Internal Committee identifying a borrower as a Non-cooperative borrower, in terms of Para 2 (d) of RBI Circular No. RBI/2014-15/362 DBR.No.CID. BC.54/20.16.064/2014-15 dated December 22, 2014.
- iii) To review the information relating to the non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC).
- iv) To put in place a system for proper and timely classification of borrowers as wilful defaulters or/as non-cooperative borrowers. The said accounts of such borrowers shall be reviewed at-least on a half-yearly basis, and a report thereon shall be placed before the Board for its review and noting.

In all 3 meetings of Review Committee were held during the Financial Year 2019-20 i.e. on 26th June 2019, 22nd July 2019 and 16th September 2019.

The meeting held on 16th September 2019, was conducted through video conference.

The details of the meetings of the Review Committee attended by the Members during the year 2019-20, are given below:

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Shri Amitabh Chaudhry, Chairman	Managing Director & CEO	3/3	-
Shri S. Vishvanathan	Independent Director	3/3	1,50,000
Smt. Ketaki Bhagwati	Independent Director	3/3	1,50,000

(11) Acquisitions, Divestments & Mergers Committee

The Acquisitions, Divestments and Mergers Committee of the Board of Directors of the Bank (ADAM Committee) comprises of 4 members out of which 3 are Independent Directors.

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

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

In all 5 meetings of ADAM Committee were held during the Financial Year 2019-20 i.e. on 19th July 2019, 21st January 2020, 4th February 2020, 11th March 2020 and 12th March 2020.

The meetings held on 14th February 2020, 11th March 2020 and 12th March 2020, were conducted through video conference.

The details of the meetings of the ADAM Committee attended by the Members during the year 2019-20, are given below

(in ₹)			
Name of the Members	Designation	Attendance	Sitting fees
Shri Rohit Bhagat, Chairman	Independent Director	5/5	2,50,000
Shri Amitabh Chaudhry	Managing Director & CEO	5/5	-
Shri Rakesh Makhija	Independent Director	5/5	2,50,000
Smt. Ketaki Bhagwati	Independent Director	5/5	2,50,000

(12) Committee of Whole-Time Directors

The Committee of Whole-Time Directors of the Board of Directors of the Bank (COWTD) comprises of 4 members.

Shri Pralay Mondal, Executive Director (Retail Banking) was inducted as a member of the Committee of Whole-Time Directors, with effect from 16th September 2019.

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

- 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 inter alia relating to the operations, strategies, business opportunities relating to the Bank and/or that of its subsidiaries.
- v) Annual Branch Expansion Plan approved by the Board: Substitution of Branch Centres/ Business Correspondents - Banking outlets/ New Specialised & CPC/ Service Branches/ Rural Unbanked Centre.

- vi) 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.

In all, 19 meetings of COWTD were held during the Financial Year 2019-20 i.e. on 22nd April 2019, 20th May 2019, 29th May 2019, 26th June 2019, 29th July 2019, 20th August 2019, 18th September 2019, 19th September 2019 (2 meetings), 25th September 2019 (3 meetings), 26th September 2019, 24th October 2019, 18th November 2019, 20th December 2019, 27th January 2020, 20th February 2020 and 23rd March 2020.

No meeting of COWTD was conducted through video conference.

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

The details of the COWTD meetings attended by the Members during the year 2019-20, are given below:

Name of the Members	Designation	Attendance	Sitting fees
Shri Amitabh Chaudhry, Chairman	Managing Director & CEO	19/19	-
Shri Rajiv Anand [@]	Executive Director (Wholesale Banking)	14/19	-
Shri Rajesh Dahiya [@]	Executive Director (Corporate Centre)	16/19	-
Shri Pralay Mondal ^{@1}	Executive Director (Retail Banking)	11/13	-

(in ₹)

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

1) Inducted as a Member, w.e.f. 16th September 2019.

IV. Management Committee

The Management Committee (MANCOM), is the key decision-making body of the Bank and has been constituted as part of the governance and administrative structure of the Bank. The MANCOM comprises of the Managing Director & CEO, the Executive Directors and the Group Executives of the Bank.

The MANCOM meets periodically to review matters, inter alia, relating to Business Strategy, Financial Reports, Risk, Compliance, Customer Service, Financial Inclusion, Human Capital and Business Continuity Planning of the Bank.

The MANCOM also discusses cross-functional initiatives, debates on and respond to any material developments (internal and external), ideates and reviews key financial, operational and human capital issues, evaluate performance against the Balance Score Card(s) of the Bank, KRA of key personnel, Business Plans, performance of the subsidiary companies of the Bank, ideate and execute strategies for the Bank/ Group companies, review risk assessment reports, inspection/scrutiny reports of regulators, internal auditor, etc.

V. Executive Committees

The Bank has constituted various Executive Committees to deal with various operational, administrative and day to day matters relating to HR, IT, Risk, Credit, Audit, Management, Customer Service, Product/Change Management, Fraud, BCP & Crisis Management, Prevention of Sexual Harassment, Whistle blower, IND AS, Outsourcing etc.

Special Meeting of Independent Directors

In terms of Para VII to Schedule IV of the Companies Act, 2013, the Independent Directors are required to meet without the presence of Non-Independent Directors and Executive Management, to review the matters as set out therein. During the year under review, the Independent Directors of the Bank met on 22nd January 2020 to review the process proposed to be adopted for conduct of Board performance evaluation as per the criteria recommended by the Nomination and Remuneration Committee.

Thereafter, the Independent Directors at its meeting held on 29th April 2020, evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Bank after taking into account the views of the Executive and Non-Executive Directors of the Bank and also 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 Companies Act, 2013.

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

Board Performance Evaluation

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

The Nomination and Remuneration Committee is the nodal agency for conducting the said performance evaluation. The Nomination and Remuneration Committee approved the manner for conducting the said performance evaluation, determined the criteria for the same and appointed an Independent external agency to administer the same.

The performance evaluation of the Board is conducted on various aspects of the Board's functioning such as strategic planning, identification and management of risk, succession planning and evaluation of management, audit & compliance, governance, relationship with executive management of the Bank, etc.

The performance evaluation of the Board Committees is based on criteria such as appropriate composition, clarity in terms of reference, regularity of meetings, quality of discussion / deliberation at its meetings, participation of members and aspects specific to those Committees, etc.

The performance evaluation of Directors is carried out on various criteria such as attendance, participation at the meetings, interpersonal relationship with other Directors, providing guidance, knowledge and understanding of areas relevant to the operations of the Bank, etc.

The said performance evaluation was conducted by the Nomination and Remuneration Committee/ Board at its meeting held on 27th April 2020 and 29th April 2020, respectively. The disclosure in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10th May 2018, on Board evaluation, is detailed as under:

1. Observations of board evaluation carried out for the year: 4 observations have emanated from the Board performance evaluation for the Financial Year 2019-20. These mainly relate to sharpening of Board agenda, functioning of Committees, continued expertise building among board members and board diversity and skills.
2. Previous year's observations and actions taken: 8 observations had arisen from the Board performance evaluation for the Financial Year 2018-19. These mainly relate to strategic direction for the Bank and subsidiaries alignment and integration among multiple strategic perspectives, agenda setting of the Board/Committees, composition of Board and certain Committees and steps to be taken to further enhance the expertise and domain knowledge of the members of the Board. The Bank has complied with the said observations, which was also reviewed by 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 the Financial Year 2019-20 and the same has been conveyed to the concerned stakeholders, for appropriate action. The status of compliance with the said observations will be reviewed by the NRC and reported to the Board.

Familiarisation Programme for Independent Directors

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

Induction Programme for new Directors

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

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.

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

The Reserve Bank of India vide its Circular dated 4th November 2019, issued revised Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, which is effective from 1st April 2020.

In terms of the said Guidelines, the Bank formulated and adopted the Remuneration Policy for Non-Executive Chairman and Non-Executive Directors of the Board and the Remuneration Policy for MD & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank. Accordingly, the Bank modified the compensation structure of its employees to whom the said Guidelines are applicable. The components of fixed pay and the percentage of fixed and variable pay forming part of the total pay have been modified. The compensation structure also includes deferral arrangement. The Bank has identified Material Risk Takers based on the qualitative and quantitative criteria prescribed by the RBI in the said Guidelines. The Bank has also identified representative set of situations which require the Bank to invoke malus and/or clawback clauses. Further, the Bank has specified a period during which provisions relating to malus and/or clawback can be applied, covering at least, deferral and retention period.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board has reviewed and approved the said Policies, in accordance with the said Guidelines. The said Policies are effective from 1st April 2020.

The remuneration paid to all the employees of the Bank, for the financial year 2019-20, is in accordance with the Comprehensive Remuneration Policy of the Bank.

Remuneration of Directors

- i. Dr. Sanjiv Misra was appointed as the Non-Executive (Part-time) Chairman of the Bank, for a period of three years, with effect from 18th July 2016. Dr. Sanjiv Misra ceased to be the Non-Executive (Part-Time) Chairman of the Bank, pursuant to the completion of his tenure, with effect from the close of business hours on 17th July 2019. The details of remuneration paid to Dr. Sanjiv Misra, in terms of the approvals granted by the Reserve Bank of India and the Shareholders of the Bank, for the period from 1st April 2019 upto 17th July 2019 (both days inclusive), is as under:

For the period	1 st April 2019 upto 17 th July 2019 (both days inclusive)
Remuneration	₹ 2,75,000 per month
Company Car	Free use of Bank's Car for official and private purposes
Touring	Travelling and Official expenses to be borne by the Bank for Board functions as a Chairman
Sitting Fees	As payable to other Non-Executive Directors

- ii. Shri Rakesh Makhija was appointed as the Non-Executive (Part-Time) Chairman of the Bank, with effect from 18th July 2019. The details of remuneration paid to Shri Rakesh Makhija, in terms of the approvals granted by the Reserve Bank of India and the Shareholders of the Bank for the period from 18th July 2019 up to 31st March 2020 (both days inclusive), is as under:

For the period	18 th July 2019 up to 31 st March 2020 (both days inclusive)
Remuneration	₹ 2,75,000 per month
Company Car	Free use of Bank's Car for official and private purposes
Touring	Travelling and Official expenses to be borne by the Bank for Board functions as a Chairman
Sitting Fees	As payable to other Non- Executive Directors

- iii. The details of remuneration paid to Shri Amitabh Chaudhry for the period from 1st April 2019 up to 31st March 2020, in terms of the approvals granted by the RBI and the Shareholders of the Bank, are given below in sub para ix.

Shri Amitabh Chaudhry was granted 9,80,000 stock options, under the Employee Stock Option Scheme of the Bank, since 1st January 2019 being the date of his appointment as the Managing Director & CEO of the Bank. Out of the above, 2,94,000 stock options have been vested, no stock options have been exercised and 2,94,000 stock options remain unexercised, as on 31st March 2020. Further, 6,86,000 stock options remain unvested, as on 31st March 2020.

- iv. Shri Rajiv Anand was re-appointed as the Executive Director (Wholesale Banking) of the Bank, for a period of 3 years, with effect from 4th August 2019 up to 3rd August 2022 (both days inclusive). The details of the remuneration paid to Shri

Rajiv Anand during the year under review, in terms of the approvals granted by the RBI and the Shareholders of the Bank, are given below in sub-para ix.

Shri Rajiv Anand was granted 24,70,000 stock options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 30th March 2009 being the date of his appointment as the Managing Director & CEO of Axis Asset Management Company Limited, subsidiary of the Bank. Out of the above, 19,59,000 stock options have been vested, 10,52,500 stock options have been exercised and the balance 9,06,500 stock options remain unexercised, as on 31st March 2020. Further, 5,11,000 stock options remain unvested, as on 31st March 2020.

- v. Shri Rajesh Dahiya was re-appointed as the Executive Director (Corporate Centre) of the Bank, for a period of 3 years, with effect 4th August 2019 up to 3rd August 2022 (both days inclusive). The details of the remuneration paid to Shri Rajesh Dahiya during the year under review, in terms of the approvals granted by the RBI and the Shareholders of the Bank, are given below in sub-para ix.

Shri Rajesh Dahiya was granted 15,87,500 stock options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 1st June 2010 being the date of his appointment as the President (Human Resources) of the Bank. Out of the above, 11,76,500 stock options have been vested, 6,10,000 stock options have been exercised and the balance 5,66,500 stock options remain unexercised, as on 31st March 2020. Further, 4,11,000 stock options remain unvested, as on 31st March 2020.

- vi. Shri Pralay Mondal was appointed as the Executive Director (Retail Banking) of the Bank, for a period of 3 years, with effect 1st August 2019 up to 31st July 2022 (both days inclusive). The details of the remuneration paid to Shri Pralay Mondal during the year under review, in terms of the approvals granted by the RBI and the Shareholders of the Bank, are given below in sub-para ix.

Shri Pralay Mondal was granted 3,50,000 stock options under the various Employee Stock Option Schemes of the Bank, since 1st April 2019 as much being the date of his appointment as Group Executive of the Bank. Out of the above, no stock options have been vested, as such no stock options have been exercised and no stock options remain unexercised, as on 31st March 2020.

- vii. The Bank does not grant stock options to its Non-Executive Directors. The Non-Executive Directors of the Bank are eligible to receive sitting fees for the meetings of the Board / Committees, attended by them and to Profit Linked Commission (except for Non-Executive (Part-Time) Chairman), in terms of the RBI circular No DBR.No.BC.97/29.67.001/2014-15 dated 1st June 2015 on Guidelines on Compensation of Non-Executive Directors of Private Sector Banks.
- viii. The Whole-Time Directors of the Bank are not entitled to receive any sitting fees from the Bank or from its Subsidiary Companies, for attending meetings of the Board and its Committees. Further, the Whole-Time Directors of the Bank are not entitled to receive any remuneration or commission from any of the subsidiary companies of the Bank.
- ix. The details of remuneration paid to the Whole-Time Directors of the Bank during the financial year 2019-20, in terms of the approvals granted by the RBI and the Shareholders of the Bank, are as under:

(in ₹)

	Shri Amitabh Chaudhry [1.4.2019 to 31.3.2020]	Shri Rajiv Anand [1.4.2019 to 31.3.2020]	Shri Rajesh Dahiya [1.4.2019 to 31.3.2020]	Shri Pralay Mondal [1.8.2019 to 31.3.2020]
Salary (Basic)	3,87,54,000	1,85,93,952	1,65,39,852	1,13,49,424
Leave Fare Concession facility	9,99,996	5,49,996	5,49,996	3,66,664
House Rent Allowance	1,07,64,996	61,36,008	54,58,152	37,45,312
Variable pay (for 2018-19)	45,36,986	87,69,488	77,93,800	-
Superannuation Allowance / Fund	38,75,400	18,59,400	16,53,983	11,34,944
Perquisites (excluding ESOP)	2,04,233	30,98,384	30,95,531	17,08,590
Provident Fund (Bank Contribution)	12% of Basic Pay			
Gratuity	One month's salary for each completed year of service			
Leave Encashment	10,00,000	26,09,967	24,41,666	-

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

The Bank as a policy, does not pay any severance fees to its Managing Director & CEO or to its Whole-Time Directors. The tenure of the office of the Managing Director & CEO and the Whole-Time Directors of the Bank 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, subject to compliance with the provisions of Section 35B of the Banking Regulation Act, 1949.

- x. All the Non-Executive Directors of the Bank were paid sitting fees of ₹ 1,00,000 for every meeting of the Board and ₹ 50,000 for every meeting of the Committees attended by them. However, in view of the increase in the duties, roles and responsibilities of the Non-Executive Directors and also in view of increase in the time commitment required, the Board at its meeting held on 22nd January 2020 approved a revision in the sitting fees payable to the Non-Executive Directors of the Bank in respect of the following key Committees viz. Nomination and Remuneration Committee, Audit Committee, Committee of Directors, Risk Management Committee and IT Strategy Committee of the Board, from ₹ 50,000/- to ₹ 1,00,000/- per meeting, with effect from 1st February 2020. The sitting fees with respect to other Board Committees remain unchanged at ₹ 50,000/- per meeting.
- xi. The details of the sitting fees paid to the Non-Executive Directors of the Bank for the meetings of the Board and Committees, attended by them during the financial year 2019-20, are as under:

Name of the Directors	Sitting Fees
Shri Rakesh Makhija	25,50,000
Dr. Sanjiv Misra (Ceased to be the Non-Executive (Part-Time) Chairman of the Bank w.e.f. the close of business hours on 17 th July 2019).	3,50,000
Prof. Samir K. Barua (Ceased to be an Independent Director of the Bank on expiry of his tenure, w.e.f. the close of business hours on 21 st July 2019).	6,50,000
Shri Som Mittal (Ceased to be an Independent Director of the Bank on expiry of his tenure, w.e.f. the close of business hours on 21 st October 2019).	9,00,000
Shri Rohit Bhagat	17,50,000
Smt. Usha Sangwan (Ceased to be a Nominee Director of the Bank w.e.f. 12 th December 2019)	5,50,000
Shri S. Vishvanathan	27,00,000
Smt. Ketaki Bhagwati	25,50,000
Shri B. Baburao	30,00,000
Shri Stephen Pagliuca	12,00,000
Shri Girish Paranjpe	19,50,000
Total	1,81,50,000

- xii. As on 31st March 2020, none of the Non-Executive Directors of the Bank or their immediate relatives held any equity shares or convertible instruments of the Bank.
- xiii. Details of Profit Linked Commission, for the financial year 2018-19, in terms of the RBI Circular No.DBR. No.BC.97/29.67.001/2014-15 dated 1st June 2015 on Guidelines on Compensation of Non-Executive Directors of Private Sector Banks, which was paid to them during the financial year 2019-20, are as under:

Sr. No	Name of the Directors	Profit linked Commission
1.	Shri Prasad R Menon [#]	5,23,288
2.	Prof. Samir Barua	10,00,000
3.	Shri Som Mittal	10,00,000
4.	Shri Rohit Bhagat	10,00,000
5.	Shri S. Vishvanathan	10,00,000
6.	Smt. Usha Sangwan ^{*&}	5,33,000
7.	Shri Rakesh Makhija	10,00,000
8.	Smt. Ketaki Bhagwati	10,00,000
9.	Shri B. Baburao [*]	10,00,000

		(in ₹)
Sr. No	Name of the Directors	Profit linked Commission
10.	Shri Stephen Pagliuca	10,00,000
11.	Shri Girish Paranjpe [§]	4,10,959

Shri Prasad R. Menon ceased to be an Independent Director of the Bank with effect from the close of business hours on 8th October 2018 pursuant to the expiry of his tenure as an Independent Director of the Bank and therefore was entitled to commission, for the period from 1st April 2018 up to 8th October 2018 (both days inclusive).

* The commission paid to Smt. Usha Sangwan, Nominee Director of LIC and Shri B. Baburao, Nominee Director of SUUTI has been credited to the designated bank account of LIC and SUUTI, respectively.

& Since the attendance of Smt. Usha Sangwan at the Board/Committee meetings, during the FY 2018-19, was less than 75%, she was paid profit linked commission in proportion to her attendance.

§ Shri Girish Paranjpe was appointed as an Independent Director of the Bank, with effect from 2nd November 2018. Accordingly, Shri Paranjpe was paid commission, for the period from 2nd November 2018 upto 31st March 2019 (both days inclusive).

Fees paid to Statutory Auditors

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

		(in ₹)
Sr. No.	Particulars	Amount ¹
1.	Audit Fees	1,79,00,000
2.	Fees for certification and other attest services ²	3,05,10,000
Total		4,84,10,000

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

2. Includes fees classified under share issue expenses towards certification services in respect of capital raised during the year.

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

Details of utilization of funds raised through preferential allotment or qualified institutional placement

During the year, the Bank had raised ₹ 12,500 crores through Qualified Institutional Placement. The said funds were raised to enhance the capital adequacy, in accordance with regulatory requirements, to finance the growth strategy and for general corporate purposes, in accordance with applicable law.

As required under the Listing Regulations, relating to Corporate Governance, the Audit Committee of Board of the Bank at its meeting held on 22nd January 2020 has reviewed and confirmed that the Bank has utilized the said funds for the above-mentioned purposes and there is no deviation in utilization of the said funds.

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

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

The following is the summary of sexual harassment complaints received and disposed off by the Bank, during the financial year 2019-20:

- i. Number of complaints of sexual harassment filed during the financial year: **45**
- ii. Number of complaints disposed off during the financial year: **40**
- iii. Number of complaints pending as on the end of the financial year: **5**

Number of workshops/awareness program conducted against sexual harassment: **34**

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

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

Whistleblower Policy & Vigil Mechanism

A central tenet in the Bank's Policy on Corporate Governance is commitment to ethics, integrity, accountability and transparency. To ensure that the highest standards are maintained in these aspects on an on-going basis and to provide safeguards to various stakeholders, the Bank has formulated a Whistle-blower Policy and Vigil Mechanism which is in compliance with the relevant provisions of Section 177(9) of the Companies Act, 2013, Rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the Listing Regulations.

The Policy provides an opportunity to address serious concerns arising from irregularities, malpractices and other misdemeanors committed by the Bank's personnel by approaching a Committee set-up for the purpose (known as the Whistle-blower Committee). In case, Senior Management commits an offence, the Policy enables the Bank's staff to report the concerns directly to the Chairman of the Audit Committee of the Board. The Policy is intended to encourage reporting of suspected or actual occurrence of illegal, unethical or inappropriate actions, behavior or practices by staff without fear of retribution. This Policy can be used regularly as a tool to voice concerns on irregularities, malpractices and other misdemeanors.

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

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

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

The details of the Whistle-blower Policy and Vigil Mechanism are available on the Bank's website at <https://axisbank.whistleblownetwork.net/>.

Subsidiary Companies

As on 31st March 2020, the Bank does not have any unlisted Indian subsidiary company which is a material subsidiary, in terms of Regulation 16(1)(c) of the Listing Regulations. Further, the minutes of the meetings of the Board of all the unlisted subsidiary companies of the Bank are tabled at the meetings of the Board of the Bank, for its review. Also, the minutes of the meetings of the Audit Committee of the Board of unlisted subsidiary companies of the Bank are tabled at the meetings of the Audit Committee of the Bank, for its review. The Statement of significant transactions / arrangements, if any, entered into by the unlisted subsidiary companies of the Bank are also tabled at the meetings of the Board of the Bank, for its review.

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

Policy for determining 'Material' Subsidiaries

As required under Regulation 16(1)(c) of the Listing Regulations, the Bank has formulated and adopted a Policy for determining 'Material' Subsidiaries. During the year, the Policy for determining 'Material' Subsidiaries has been reviewed by the Risk Management Committee and the Board and the same has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance>.

Subsidiary Governance Unit

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

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

Performance of each subsidiary is reviewed by the Managing Director & CEO of the Bank, also a detailed presentation by one subsidiary each quarter is presented to Board of Directors of the Bank. At least one member of the Management Committee is nominated on the board of the subsidiary company. Such member is responsible to review the matters relating to strategy, business plan and performance of the subsidiary company assigned to him.

Policy for Related Party Transactions

As required under Regulation 23 of the Listing Regulations, the Bank has formulated and adopted a Policy on dealing with Related Party Transactions. During the year, the Policy on Related Party Transactions has been reviewed by the ACB and the Board and the same has been hosted on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance>, in terms of the Listing Regulations, relating to Corporate Governance.

Directors and Officers insurance

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

Prevention of Insider Trading

SEBI vide its Circular no. SEBI/HO/ISD/ISD/CIR/P/2019/82 dated 19th July 2019, has provided a standardized format to report violations of the provisions of the Regulations and the Code. The Bank has been submitting the details of violations to SEBI, in terms of the said Circular.

SEBI vide notification dated on 25th July 2019 amended certain provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations) relating to transactions that can be undertaken by Designated Persons during the closure of trading window. Further, SEBI vide notification dated on 17th September 2019 has also amended the Regulations providing for voluntary disclosure of suspected/alleged act of insider trading and obligation on companies to protect such informant against victimization.

The National Stock Exchange of India Limited vide its circular NSE/CML/2019/20 dated 24th September 2019 on Disclosure of Default / Inter Creditor Agreement (ICA) has *inter alia* prescribed that all participants, who have acquired confidential information in the course of developments pertaining to defaulting borrowers and/or ICA, shall maintain the confidentiality of such information, until the same is publicly disclosed to Stock Exchanges.

The Bank has accordingly, reviewed and amended the Share Dealing Code and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the Bank, in line with the said amendments.

The Bank has put in place adequate and effective systems, internal controls and processes (Institutional Mechanism) relating to preparation, finalization, communication or procurement of UPSI relating to the Bank, in compliance with the Share Dealing Code and the Regulations, to prevent insider trading.

Compliance Certificate

Pursuant to Regulation 17(3) of 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 in this regard, duly signed by the Chief Compliance Officer of the Bank is placed before the Audit Committee, on a quarterly basis, confirming compliances with applicable laws.

Secretarial Standards

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

Directors E-KYC

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

(4) Disclosures

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

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

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

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

(5) Compliance with Governance Norms

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

The Bank has also adopted the non-mandatory requirements relating to maintenance of Chairman's Office at the Bank's expense and reimbursement of expenses incurred by the Non-Executive Chairman in performance of his duties, moving towards a regime of financial statements with unmodified audit opinion, separation of the office of the Chairman and Managing Director and the Chief Audit Executive directly reporting to the Audit Committee of the Board.

The Bank has obtained a certificate from M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai, (Registration No.103523W/W100048) confirming that the Bank has complied with all the mandatory requirements as stipulated under the Listing Regulations relating to Corporate Governance. The said certificate is annexed to the Directors' Report.

(6) Code 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 for the Employees and Senior Management of the Bank.

The Code of Conduct and Conflict of Interest Norms for the Board of Directors (the Board Code) provide 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.

The said Code provides that prior approval of the Bank would be required before a Director accepts any role / directorship in any entity. Further, Director of the Bank is prohibited from engaging in any activity that interferes with his / her fiduciary responsibilities towards the Bank, or is in conflict with or prejudicial to the interest of the Bank like simultaneous engagement or employment or directorship with client companies or its subsidiaries, or undertaking any activity which would enhance or support a competitor's position.

The Code of Conduct and Ethics for the Employees and Senior Management of the Bank (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 comply with the regulatory guidelines and laws of the land (2) set forth basic parameters of ethical and acceptable social behavior (3) establish a system for detection and reporting of known or suspected ethical or violations of regulations.

During the year, the amendments to the said Codes have been reviewed and approved by the Board of Directors of the Bank. The said Codes have been hosted on the website of the Bank viz. <https://www.axisbank.com/shareholders-corner/corporate-governance>, in compliance with the Listing Regulations relating to Corporate Governance.

The certificate issued by the Managing Director & CEO of the Bank confirming that all the Directors and Members of the Senior Management of the Bank have complied with the said Codes, is annexed to this Report.

General Shareholder Information

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

26th Annual General Meeting (AGM)

In light of the uncertainty surrounding the lockdown, which has been imposed across India due to the onset of the COVID-19 Pandemic, the Board of Directors (the Board) at its meeting held on 29th April 2020, authorized the Managing Director & CEO of the Bank, to decide the day, date, time and venue of the AGM under the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder.

Accordingly, please note that the prescribed details with respect to the AGM has not been provided and the same will be incorporated in the Notice convening the AGM and disclosed to the Stock Exchanges, published in the newspapers and uploaded on the websites of the Bank and of KFin Technologies Private Limited (KFIN), the Registrar and Share Transfer Agent of the Bank, in accordance with the extant norms.

Financial Year

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

Compliance 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 the financial year 2020-21, in terms of Regulation 33(3)(a), (d) and (f) of the Listing Regulations, are as under:

Purpose	Venue	Tentative Date
Unaudited Financial Results (standalone and consolidated) of the Bank, for the quarter ending 30 th June 2020	Corporate Office	Third week of July 2020
Unaudited Financial Results (standalone and consolidated) of the Bank, for the quarter / half year ending 30 th September 2020	Corporate Office	Fourth week of October 2020
Unaudited Financial Results (standalone and consolidated) of the Bank, for the quarter / nine months ending 31 st December 2020	Corporate Office	Fourth week of January 2021
Audited Annual Financial Results (standalone and consolidated) of the Bank, for the financial year ending 31 st March 2021	Corporate Office	Last week of April 2021

After the said financial results of the Bank are reviewed and approved by the Board, the same shall be disclosed to the Stock Exchange(s), within the time limit as stipulated under Regulation 30 read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations.

Dividend

The Reserve Bank of India, vide its circular dated 17th April 2020, has advised that banks shall not make any further dividend pay-outs from profits pertaining to the financial year ended 31st March 2020, until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19 Pandemic. Accordingly, the Board has not proposed any dividend for the financial year ended 31st March 2020.

Unclaimed Dividends

Pursuant to the provisions of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the IEPF Authority Rules), the amount of unpaid dividend(s) that are lying unclaimed for a period of 7 consecutive financial years from the date of its transfer to the unpaid dividend account, is liable to be transferred to the Investor Education & Protection Fund Authority (IEPF Authority). Accordingly, unclaimed dividend amounting to ₹ 65,71,408/- in respect of the financial year 2011-12 was transferred by the Bank to the IEPF Authority, on 20th August 2019, in compliance with the IEPF Authority Rules.

Further, please note that the unclaimed dividend in respect of the financial year 2012-13 must be claimed by the concerned shareholders, on or before 24th August 2020, failing which it will be transferred to the IEPF Authority, in accordance with the IEPF Authority Rules.

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The details of the unclaimed dividends as on 31st March 2020 and the last date for claiming the same, prior to its transfer to the IEPF Authority, are as under:

Financial year	No. of Shareholders	Unclaimed dividend as on 31 st March 2020 (In ₹)	% to total dividend declared	Total Amount of Dividend Declared (In ₹)	Date of declaration	Last date for claiming dividend prior to its transfer to the IEPF
2012-13	3,769	64,45,818	0.08	8,44,07,35,230	19-07-2013	24-08-2020
2013-14	3,235	73,39,300	0.08	9,42,60,65,680	27-06-2014	02-08-2021
2014-15	6,609	93,88,761	0.09	10,92,77,37,078	24-07-2015	29-08-2022
2015-16	9,544	1,19,63,415	0.10	11,93,76,13,965	22-07-2016	28-08-2023
2016-17	10,226	1,37,62,955	0.11	11,98,58,43,545	26-07-2017	31-08-2024
2017-18			No Dividend Declared			
2018-19	7,721	21,05,024	0.08	261,95,95,388	20-07-2019	25-08-2026
Total	41,104	5,10,05,273	0.09	55,33,75,90,868		

Transfer of Underlying Equity Shares in respect of the Unclaimed Dividends to the IEPF Authority Account

Pursuant to the notification of the relevant provisions of Sections 124 and 125 of the Companies Act, 2013 and the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the unclaimed dividend for the financial year 2011-12 and the underlying equity shares of the Bank, in respect of the said financial year (where the dividends have not been claimed by the concerned shareholders for seven consecutive financial years from the date of its transfer to the unpaid dividend account), were liable to be transferred by the Bank to the IEPF Authority, in accordance with the IEPF Authority Rules.

Accordingly, pursuant to the notification of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 (IEPF Second Amendment Rules), the Bank transferred 8,10,430 underlying equity shares of ₹ 2/- each of the Bank, in respect of the said unclaimed dividend, as on 31st March 2020, to the IEPF Authority, in compliance with the IEPF Second Amendment Rules.

The unclaimed dividend(s) for the financial year 2011-12 and the underlying equity shares, as aforesaid, can be claimed by the concerned shareholder(s) of the Bank from the IEPF Authority, subject to compliance with the procedures as prescribed under the said Rules and they may write to KFIN at einward.ris@kfintech.com, for any assistance, in this regard.

Unclaimed Dividends for the financial years from 2012-13 up to 2018-19

The shareholder(s) of the Bank are requested to verify details of their unclaimed dividends in respect of the financial years from 2012-13 up to 2018-19 and lodge their claims with KFIN.

In case the unclaimed dividend(s) for the financial year 2012-13 is not claimed on or before 24th August 2020, the said unclaimed dividend(s) along with the underlying equity share(s) of the Bank in respect of the said financial year [where the dividends have not been claimed by the concerned shareholders for seven consecutive financial years] will be liable to be transferred by the Bank to the account of the IEPF Authority, in accordance with the IEPF Second Amendment Rules. Concerned shareholder(s) of the Bank may write to KFIN at einward.ris@kfintech.com, for any assistance, in this regard.

Unclaimed Equity Shares

Schedule VI of the Listing Regulations, inter alia, requires every listed company to comply with certain procedures in respect of the equity shares issued by it in physical form pursuant to a public issue or any other issue and which have remained unclaimed for a period of seven consecutive financial years, for any reason whatsoever. Details of the said unclaimed equity shares of the Bank, are as under:

Particulars	FY 2019-20	FY 2018-19
Aggregate number of shareholders at the beginning of the year	-	1
Total outstanding shares in Unclaimed Suspense Account at the beginning of the year	-	500
Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year	-	-
Number of shares transferred to the concerned shareholder from Unclaimed Suspense Account during the year	-	-
Aggregate number of shareholders at the end of the year	-	0
Total outstanding shares in Unclaimed Suspense Account, as on 31st March 2020.	-	0*

*Pursuant to the notification on the IEPF Second Amendment Rules, the Bank has transferred 8,10,430 unclaimed equity shares of ₹ 2/- each of the Bank (including balance 500 equity shares of ₹ 2/- each of the Bank, which were lying in the Unclaimed Suspense Account) to the IEPF Authority, in accordance with the IEPF Second Amendment Rules.

All corporate benefits accruing on the said equity shares viz. bonus shares, split, etc., if any, are also required to be credited to the IEPF Authority. Further, voting rights in respect of the said equity shares shall remain frozen till such time, the concerned shareholder(s) of the Bank, claims the same.

Guidelines to claim unclaimed Dividends/Shares:

Concerned Shareholders of the Bank can submit their application to claim their unclaimed dividend(s)/share(s), through the website of the IEPF Authority (<http://www.iepf.gov.in>), by following the instructions given below:

1. Download the Form IEPF - 5 from the website of IEPF (<http://www.iepf.gov.in>). Read the instructions provided on the instructions kit along with the e-form carefully before filling the form.
2. After filling the form save it on the computer and submit the duly filled form by following the instructions given in the upload link on the IEPF website.
3. On successful uploading, the acknowledgment will be generated indicating the SRN. This SRN is to be used for future tracking of the form.
4. After uploading the form, submit the following documents to Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from the IEPF Authority":
 - a) Self-attested copy of e-Form.
 - b) Indemnity Bond in original.
 - c) Copy of acknowledgment.
 - d) Other documents as mentioned in the Form IEPF-5.
5. The general information of the Bank, required for filing the aforesaid Form, are as under:
 - a) Corporate Identification Number (CIN) of Company: L65110GJ1993PLC020769.
 - b) Name of the Company: Axis Bank Limited.
 - c) Address of Registered Office of the Company: 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad, Gujarat – 380 006.

KFIN, has been entrusted with the task of verifying the claims received from the Shareholders of the Bank, in respect the unclaimed dividend(s)/share(s) of the Bank, which have been transferred to the IEPF Authority, in accordance with the IEPF Authority Rules.

KFIN, is also responsible to liaise with the claimants and ensure that the prescribed documents in original are received and verified. After verifying the authenticity of the said documents and their claims, KFIN, will issue an entitlement letter to the IEPF Authority, in favour of the claimant.

On receipt of the entitlement letter, the Bank will submit an online verification report to the IEPF Authority, along with scanned copies of all the original documents submitted by the claimant. Upon receipt and verification of the said online verification report, the IEPF Authority will proceed to process the claim.

The Bank has appointed Nodal Officer/Deputy Nodal Officer(s) to verify the claim(s) and co-ordinate with the IEPF Authority. The details of the same have been hosted on the website of the Bank viz. [https:// www. axisbank.com / shareholders-corner/ investor-contacts](https://www.axisbank.com/shareholders-corner/investor-contacts).

Equity Shares

The equity shares of the Bank are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The International Security Identification Number (ISIN) in respect of the said equity shares is INE238A01034. The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) are the Depositories for the

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equity shares of the Bank. The equity shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory / Statutory Authority.

Stock Exchange Codes	Reuters Codes	Bloomberg Codes
NSE – AXISBANK National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051. Website: www.nseindia.com	NSE - AXBK.NS	NSE - AXSB IS
BSE – 532215 BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. Website: www.bseindia.com	BSE- AXISBANK.BO	BSE - AXSB IB

Global Depository Receipts (GDR)

The Bank's GDRs are listed and traded on London Stock Exchange. The ISIN for the said GDRs is US05462W1099.

Stock Exchange	Code
London Stock Exchange 10 Paternoster Square, London EC4M 7LS, UK Website: www.londonstockexchange.com	AXB

Bonds issued under Medium Term Note Program (MTN Program)

The Bonds issued and allotted by the Bank's MTN program are listed and traded on Singapore Stock Exchange.

Stock Exchange	Code
Singapore Stock Exchange Singapore Exchange Securities Trading Limited (Attention: SGXNet Services, Operations) 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589 Website: www.sgx.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 31st March 2020 along with outlook, are as under.

Credit ratings for the Debt Instruments outstanding, as on 31st March 2020

Sr. No.	Credit Rating Agency	Credit Rating	Outlook	Sr. No.	Credit Rating Agency	Credit Rating	Outlook
1.	ICRA Ltd.			2.	CARE Ratings		
	Certificate of Deposits	ICRA A1+			Tier II Bonds	CARE AAA	Stable
	Tier II Bonds	ICRA AAA	Stable		Infrastructure bond	CARE AAA	Stable
	Infrastructure bond	ICRA AAA	Stable		Tier II (Under Basel III)	CARE AAA	Stable
	Tier II (Under Basel III)	ICRA AAA	Stable				
	Tier I (Basel III Compliant)	ICRA AA+	Stable				
	Fixed Deposit	ICRA MAAA					
3.	CRISIL			4.	India Rating		
	Certificate of Deposits	CRISIL A1+			Tier II Bonds	IND AAA	Stable
	Infrastructure bond	CRISIL AAA	Stable		Tier II (Under Basel III)	IND AAA	Stable
	Tier II (Under Basel III)	CRISIL AAA	Stable		Tier I (Under Basel III)	IND AA+	Stable
	Tier I (Under Basel III)	CRISIL AA+	Stable				
5.	MTN (Senior Unsecured) Rating						
	Fitch*	BB+	Stable				
	Moody's	Baa3	Stable				
	S&P	BBB-	Stable				

* During FY 2019-20, Fitch Ratings have revised its outlook rating to BB+ from BBB-.

Listing fees

The annual listing fees for the financial year 2019-20 have been paid by the Bank to the Stock Exchanges.

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 and allotted by the Bank under the MTN program are listed on Singapore Stock Exchange and the Green Bonds issued by the Bank are listed on London Stock Exchange.

Green Bonds

The Bank had issued its inaugural Green Bond of USD 500 million (ISIN XS1410341389) in June 2016. The Bond is 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 London Stock Exchange.

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 utilization of proceeds and reporting guidelines. The framework was reviewed by KPMG, and 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. Utilization 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.

Market Price Data

a) Equity Shares

The price of the Bank's Share - High, Low as traded during the financial year 2019-20, on NSE and BSE, are as under:

Month	NSE			BSE		
	High (₹)	Low (₹)	No. of Shares traded	High (₹)	Low (₹)	No. of Shares traded
April, 2019	783.00	738.55	13,69,45,660	783.55	737.60	73,32,259
May, 2019	822.10	716.10	17,20,97,329	821.40	716.40	96,41,183
June, 2019	827.75	756.55	16,95,86,920	826.55	757.00	63,96,301
July, 2019	819.00	657.80	21,98,31,416	819.05	657.65	72,34,390
August, 2019	697.55	640.10	20,98,49,816	696.70	640.50	67,43,558
September, 2019	733.25	622.65	26,27,87,457	736.00	622.60	81,44,902
October, 2019	750.00	646.70	25,95,00,720	750.05	647.25	79,66,319
November, 2019	763.75	707.25	17,51,33,105	763.95	706.95	80,79,592
December, 2019	765.85	709.05	17,59,60,513	765.90	709.30	55,01,451
January, 2020	759.95	706.60	19,66,52,036	760.00	707.00	46,76,966
February, 2020	760.70	691.00	15,04,02,508	760.60	691.30	33,93,428
March, 2020	713.25	286.00	65,68,00,997	712.95	285	2,14,27,933

Graph in Comparison to Nifty & Sensex



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b) GDR

The high and low closing prices of the Bank's GDRs as traded during the financial year 2019-20, on LSE, are as under:

Month	High (In USD)	Low (In USD)	No. of GDRs traded
April, 2019	56.29	52.50	5,79,160
May, 2019	58.78	50.80	12,22,170
June, 2019	60.20	54.50	4,92,100
July, 2019	59.05	48.30	3,51,270
August, 2019	48.85	44.55	7,05,110
September, 2019	51.90	43.90	10,89,180
October, 2019	53.00	46.30	7,41,500
November, 2019	53.20	49.15	3,54,630
December, 2019	53.80	49.75	5,32,240
January, 2020	53.40	49.80	4,27,350
February, 2020	53.20	46.95	6,25,200
March, 2020	48.64	19.24	23,89,850

Dematerialization of Shares and Liquidity

The equity shares of the Bank are to be compulsorily traded on the floor of the stock exchanges in electronic form by all investors. The Bank has entered into agreements with NSDL and CDSL, so as to provide the Members an opportunity to hold and trade in equity shares of the Bank in electronic form.

As on 31st March 2020, 99.83 % of the total issued and paid up equity share capital of the Bank was held by investors in electronic form and 0.17 % of the total issued and paid up equity share capital was held in physical form.

The number of equity shares of the Bank held in physical form which were transferred / processed, during the last three financial years, are as under:

Particulars	2019-20	2018-19	2017-18
Number of transfer deeds	30	85	141
Number of equity shares transferred	30,000	61,500	34,000

As required under Regulation 40(9) of the Listing Regulations, M/s Ahalada Rao. V & Associates, Practicing Company Secretaries, (C. P. No. 13407), Hyderabad have examined the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on a half-yearly basis and has issued a certificate confirming compliance with the provisions of the said Regulations. The certificate has been submitted to the BSE and NSE where the Bank's equity shares are listed, in terms of the Listing Regulations.

Distribution of Shareholding

The distribution of shareholding of the Bank as on 31st March 2020, is as under:

No. of shares held	Electronic Form		Physical Form		Total		
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	% to capital
1-5,000	5,64,301	6,55,22,998	4,953	37,47,171	5,69,254	6,92,70,169	2.45
5,001-10,000	3,481	1,25,15,531	188	6,64,950	3,669	1,31,80,481	0.47
10,001-20,000	1,565	1,11,78,259	15	1,12,600	1,580	1,12,90,859	0.40
20,001-30,000	534	66,01,848	4	52,500	538	66,54,348	0.24
30,001-40,000	288	50,09,562	0	0	288	50,09,562	0.18
40,001-50,000	188	42,28,797	4	95,400	192	43,24,197	0.15
50,001-1,00,000	447	1,59,39,718	4	1,25,000	451	1,60,64,718	0.57
1,00,001 and above	1,454	2,69,58,83,600	0	0	1,454	2,69,58,83,600	95.54
Total	5,72,258	2,81,68,80,313	5,168	47,97,621	5,77,426	2,82,16,77,934	100.00

Shareholding pattern

Category wise shareholding pattern of the Bank as on 31st March 2020, is as under:

Sr. No.	Category / Shareholder	No. of Shares held	% of total issued & paid-up Capital
Promoters			
1	Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	12,96,52,427	4.59
2	Life Insurance Corporation of India	25,43,77,246	9.02
3	General Insurance Corporation of India	3,17,15,229	1.12
4	The New India Assurance Company Limited	2,05,91,585	0.73
5	National Insurance Company Limited	5,49,681	0.02
6	The Oriental Insurance Company Limited	49,77,520	0.18
7	United India Insurance Company Limited	9,13,248	0.03
Foreign Investors			
8	Overseas Investors (including FIIs/OCBs/NRIs)	1,44,95,54,331	51.37
9	Foreign Direct Investment (GDR)	5,48,68,145	1.94
Domestic Financial Institutions			
10	Financial Institutions / Mutual Funds / Banks / NBFC / INC /AIF	64,31,64,609	22.79
11	Others	23,13,13,913	8.21
Total		2,82,16,77,934	100.00

Top 20 Shareholders of the Bank as on 31st March 2020, is as under:

Sr. No.	Name of the Shareholder	No. of Shares held	% to total issued & paid up capital
1	Life Insurance Corporation of India	25,43,77,246	9.02
2	Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	12,96,52,427	4.59
3	SBI Dual Advantage Fund Series XXV	11,91,99,203	4.22
4	ICICI Prudential Regular Savings Fund	6,58,33,840	2.33
5	HDFC Trustee Co Ltd A/C HDFC Housing Opportunities Fund-1140D November 2017 (1)	5,89,94,772	2.09
6	Europacific Growth Fund	5,79,71,711	2.05
7	Dodge and Cox International Stock Fund	5,76,19,325	2.04
8	BC Asia Investments VII Limited - FDI	5,56,00,000	1.97
9	The Bank of New York Mellon, Dr	5,48,68,145	1.94
10	Reliance Capital Trustee Co Ltd-A/C Nippon India ETF Nifty Bees	5,17,16,210	1.83
11	Kotak Equity Savings Fund	4,91,92,348	1.74
12	BC Asia Investments III Limited - FDI	4,00,00,000	1.42
13	Franklin India Equity Advantage Fund	3,85,19,813	1.37
14	Government of Singapore - E	3,79,81,934	1.35
15	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Banking ETF	3,76,83,382	1.34
16	NPS Trust- A/C Birla Sun Life Pension Fund Scheme E- Tier I	3,71,94,086	1.32
17	Vanguard Total International Stock Index Fund	3,45,13,015	1.22
18	Integral Investments South Asia IV - FDI	3,19,00,000	1.13
19	General Insurance Corporation of India	3,17,15,229	1.12
20	UTI Nifty Index Fund	3,15,55,046	1.12

Outstanding GDR

The Bank has in the course of international offerings to overseas investors, issued and allotted securities linked to ordinary equity shares of the Bank in the form of Global Depository Receipts (GDRs) in March 2005, April 2005, July 2007 and September 2009. The said GDRs are listed for trading on London Stock Exchange. The underlying equity shares represent outstanding GDRs, which have been included in the equity share capital of the Bank. The number of equity shares representing outstanding GDRs, as on 31st March 2020 was 5,48,68,145.

The Bank has not issued any ADRs during the financial year 2019-20.

Convertible Warrants

During the Financial Year 2017-18, the Bank had issued 4,53,57,385 convertible warrants convertible into 4,53,57,385 equity shares at a price of ₹ 565.00 per warrant on a preferential basis. The convertible warrants were allotted pursuant to receipt of 25% upfront payment consideration from the allottees i.e. ₹ 141.25 per convertible warrant.

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The allottees of the convertible warrants could exercise the option to convert one convertible warrant into one equity share of ₹ 2/- each of the Bank within a period of 18 months from the date of its allotment, i.e. on or before 17th June 2019, by paying balance 75% of the consideration i.e. ₹ 423.75 per convertible warrant. In the event, allottees did not exercise their right to convert the said warrants before the said due date, the said convertible warrants (to the extent not lodged for conversion) shall lapse and the upfront consideration paid by the warrant holders would have been forfeited by the Bank.

During the Financial Year 2019-20, the said allottees exercised their right to convert the said warrants, by paying balance 75% of the consideration. Accordingly, the Bank has on 29th May 2019, allotted 4,53,57,385 equity shares upon conversion of 4,53,57,385 convertible warrants, which were issued on a preferential basis, in terms of the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder.

As on 31st March 2020, no warrants were pending for conversion.

Investor Services

Registrar & Share Transfer Agent (RTA)

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. Listed below are the service standards adopted by KFIN in respect of the various services rendered by them to the investors of the Bank.

Nature of service being rendered to the Investors of the Bank	Adopted Service Standards
Registration of Nomination	5 days
Issue of duplicate dividend warrant(s)	5 days
Revalidation of dividend warrant(s)	5 days
Revalidation of demand draft(s)	5 days
Split/ consolidation of share certificate(s)	7 days
Dematerialization of share(s)	7 days
Transfer of share(s)	7 days
Transmission of share(s)	7 days
Consolidation of folio(s)	7 days
Change/Deletion/Transposition of Name(s)	7 days
Release of unclaimed share(s)	7 days
Re-materialization of share(s)	10 days
Issue of duplicate share certificate(s)	10 days

Investors are requested to write to the Registered Office of the Bank or to KFIN for availing any of the said services or may address their correspondence/ complaints to shareholders@axisbank.com or einward.ris@kfintech.com, in terms of Regulation 34(3) read with Schedule V of the Listing Regulations.

The Company Secretary Department of the Bank regularly monitors and reviews the status of the investor correspondences / complaints received by the Bank/ KFIN and its redressal within the said service standards.

Share Transfer System

In terms of Regulation 40(2) of the Listing Regulations, the Share Committee of the Bank comprising the Company Secretary and executives of Company Secretary Department of the Bank has been formed to attend to matters relating to transfer of equity shares of the Bank and matters related thereto. The resolutions passed by the Share Committee, in this regard, are tabled at the ensuing meeting of the Board of Directors of the Bank, for its noting.

Investor Grievances

During the year under review, the Bank received 1,878 correspondences from its investors, capital market intermediaries and Statutory / Regulatory Authorities, 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 addressed to designated email address viz. shareholders@axisbank.com and einward.ris@kfintech.com.

The details of the investor complaints received and redressed by the Bank, during the last 3 financial years, are as under:

Received from	No. of complaints received			No. of complaints unresolved as on 31 st March 2020
	2019-20	2018-19	2017-18	
SEBI SCORES	17	10	7	5
Stock Exchanges	7	-	8	-
NSDL / CDSL	-	-	-	-
MCA	-	-	-	-
RBI	1	-	-	-
Total No. of complaints received	25	10	15	-
Total No. of complaints redressed	20	10	15	-

There was no investor complaint that was unresolved as on 1st April 2019. During the financial year under review, the Bank received 25 investor complaints out of which 20 investor complaints were resolved, as on 31st March 2020. Consequently, 5 investor complaints were pending for resolution as on 31st March 2020, all of which have been resolved by the Bank, as on date.

The statement highlighting the status of the investor correspondence(s)/complaint(s) received and redressed by the Bank during the financial year 2019-20 were tabled at the meetings of the Stakeholders Relationship Committee/ Board of Directors of the Bank, for their review and noting.

Web-based Query Redressal System

Members may avail the facility extended by KFIN for redressal of queries, by visiting <https://kprism.kfintech.com/investor/query/Correspondence.aspx> for query registration through free identity registration process. Investors can 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. Investors can continue to raise queries relating to their grievance, till they get a satisfactory reply.

Nomination Facility

Section 72 of the Companies Act, 2013, provides that every holder of securities of a company may, at any time nominate, in the prescribed manner, any person to whom the securities shall vest in the event of death. Where the securities of a company are held by more than one person jointly, the joint holders may together nominate any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.

In view of the above, Shareholders are encouraged to avail of the Nomination Facility. The relevant Nomination Form can be downloaded from the website of the Bank or the Shareholders may write to the Bank at its Registered Office or to KFIN for the same.

Please note that the nomination shall be automatically rescinded on transfer / transmission / dematerialization of the securities.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details with respect to commodity price risk, in terms of SEBI circular no SEBI/ HO / CFD / CMD1/CIR/P/2018/0000000141 dated 15th November 2018, are as follows:

- 1) Risk management policy with respect to commodities including through hedging: As the Bank is not exposed to XAU (Gold) and XAG (Silver) price risk, the Bank does not have a Risk Management Policy for commodity price risk.
- 2) Exposure of the Bank to commodity and commodity risks faced by the Bank during the year is given below:
 - a. Total exposure of the listed entity to commodities: Nil as on 31st March 2020.
 - b. Exposure of the listed entity to various commodities: Not Applicable.
 - c. Commodity risks faced by the listed entity during the year and how they have been managed: The Bank did not run any trading positions in XAU (Gold) or XAG (Silver) and does not have exposure to any other commodity.

Payment of Dividend through electronic mode:

ECS Facility

Payment of Dividends through Electronic mode:

- In terms of Regulation 12 and Schedule I of Listing Regulations, every listed entity is required to mandatorily make all payments to Investors, including Dividend, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz., Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), National Automated Clearing House (NACH) etc. The Bank would be entitled to use the bank account details of the shareholders available with the Depository Participant to facilitate payment through electronic mode.
- In case of shares held in electronic form:
 - ✓ All shareholders of the Bank holding equity shares in electronic form are requested to provide details relating to, their Bank Account Number, including 9 digit MICR Code and 11 digit IFSC Code, E-mail ID and mobile No(s) to their Depository Participant(s).
- In case of shares held in physical form:
 - ✓ All shareholders of the Bank are requested to provide details relating to their Bank Account Number, indicating 9 digit MICR Code and 11 digit IFSC Code, E-mail ID and mobile No(s) to 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 dividend warrant and print the Bank Account details available with KFIN on the said dividend warrant to avoid fraudulent encashment.

Green initiatives

Dispatch of documents in Electronic Form

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode including e-mail to those Members who have provided their e-mail address either to their Depository Participant (DP) or to the Company.

Further, in terms of Regulation 36 of the Listing Regulations, the listed entity is required to send soft copies of its annual report to all those shareholder(s) who have registered their email address(es) for this purpose.

Accordingly, the Notice convening the AGM, the annual report of the Bank for the financial year 2019-20 and the annexures stated therein will be sent by e-mail to those Members who have registered their e-mail address with their DP or with KFIN.

Members who have not yet registered their e-mail address are requested to do so, at the earliest.

In case of shares held in electronic form and in case of any change in the e-mail address, Members are requested to update the same with their DP and in case of shares held in physical form, Members are requested to update the same with KFIN.

In case a Member, whose email address has changed, fails to update the new e-mail address, the said documents will be sent to the existing e-mail address and the said documents will be deemed to have been delivered, in compliance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations.

Please note that the said documents will also be uploaded on the Bank's website viz. www.axisbank.com and copies thereof will be made available for inspection at the Registered Office of the Bank during business hours on all working days except Saturdays, Sundays, Bank Holidays and Public Holidays up to the date of the ensuing AGM.

The Bank has also availed the services of National Securities Depository Limited (NSDL) for updating the email addresses of those Shareholders of the Bank, who had not registered their email addresses with their Depository Participant. As part of the said Green Initiative, Shareholders of the Bank are requested to take benefit of the said service and update their email address with their Depository Participant, at the earliest.

We seek your support to the said Green Initiative, as it is designed to protect our fragile environment.

Means of Communication

After the unaudited/audited financial results of the Bank are reviewed and approved by the Board of Directors of the Bank, the same is disclosed to the Stock Exchanges, in accordance with Regulation 30 of the Listing Regulations read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations.

Thereafter, the said financial results of the Bank and the presentations made by the Senior Management to the Analysts / Investors are uploaded on the Bank's website, <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results>, in accordance with the Listing Regulations.

The said financial results of the Bank are generally published in the Economic Times, Business Standard, Mint and Gujarat Samachar or Divya Bhaskar after declaration of the financial results of the Bank to the Stock Exchanges, in accordance with the Listing Regulations.

The said financial results and other information filed by the Bank, from time to time is also available on the websites of the Exchanges, i.e., BSE at www.bseindia.com and the NSE at www.nseindia.com. NSE and BSE have online platforms for filing of announcements and other compliance returns viz., NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, respectively. Various compliances as required/prescribed under the Listing Regulations are filed through these systems. Similar filings are also made to the London Stock Exchange and Singapore Stock Exchange.

For ready reference of the investors of the Bank, a list of frequently asked questions and their answers have been uploaded on website of the Bank at <https://www.axisbank.com/shareholders-corner/investor-faqs>.

In order to enable a larger participation of Shareholders at the 26th AGM, the Bank will provide Webcast facility for participation of its Members, details of which will be stated in the Notice convening the 26th AGM.

General Body Meetings

The details of the last three Annual General Meetings, are as under:

AGM	Date and Day	Time	Location
23 rd	26 th July 2017 – Wednesday	9.30 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat – 380 015.
24 th	20 th June 2018 – Wednesday	10.00 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015.
25 th	20 th July 2019 - Saturday	10.00 a.m.	H. T. Parekh Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015

Special resolutions passed at previous three Annual General Meetings

The details of the special resolution(s) passed at the previous three Annual General Meetings, are as under:

AGM No.	Date of AGM	Special Resolution(s)
23 rd	26 th July 2017	Resolution No. 11 – Borrowing / Raising funds in Indian/Foreign Currency by issue of debt instruments including but not limited to subordinated debt, senior unsecured long term bonds, green bonds, medium term notes, non-convertible debentures on a private placement basis, for an amount of upto ₹ 35,000 crores.
24 th	20 th June 2018	Resolution No. 11 - Increase in the borrowing limits of the Bank upto ₹ 200,000 crores, under Section 180 (1) (c) of the Companies Act, 2013. Resolution No. 12 - Borrowing / Raising funds in Indian/Foreign Currency by issue of debt instruments including but not limited to subordinated debt, senior unsecured long term bonds, green bonds, medium term notes, non-convertible debentures on a private placement basis, for an amount of upto ₹ 35,000 crores.
25 th	20 th July 2019	Resolution No. 12 - Borrowing/Raising funds in Indian Currency/Foreign Currency by issue of Debt Securities including but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments and Tier II Capital bonds or such other debt securities as may be permitted under the RBI guidelines, from time to time, on a private placement basis, for an amount of up to ₹ 35,000 crores.

Procedure for Postal Ballot

In compliance with Sections 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Bank provides e-voting facility to all its Members to enable them to cast their votes electronically on the matters included in Postal Ballot Notice. E-voting is optional and all Members are eligible to vote by completing and dispatching the Postal Ballot Form by post, or through e-voting. The Bank has engaged the services of KFIN for providing e-voting facility to its Members.

Statutory Reports

Corporate Governance

The Board of Directors of the Bank appoints a Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner. The Postal Ballot process is conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014, as amended.

The Bank dispatches the Postal Ballot Notice and relevant forms along with postage prepaid business reply envelope to those Members whose names appear on the Register of Members / Statements of Beneficial Holders provided by the Depositories as on the cut-off date. The Postal Ballot Notice is also sent in electronic form to those Members whose email address is registered with their DP in case shares are held in electronic form or with KFIN in case shares are held in physical form.

The Bank also publishes a notice in the newspaper declaring the details of completion of dispatch of the Postal Ballot Notice and other details, in accordance with the aforesaid provisions of the Companies Act, 2013 and the said Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the said cut-off date. Members desiring to exercise their votes by physical postal ballot forms are required to return the forms duly completed and signed to the Scrutinizer at the address mentioned in the postage prepaid business reply envelope on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to exercise their vote using the e-voting facility before the close of business hours on the last date of e-voting as set out in the Postal Ballot Notice.

The Scrutinizer is required to submit his report to the Chairman after verification of the records and thereafter the consolidated results of the voting can be declared by the Chairman or by any one of the Directors of the Bank, duly authorized by the Board of Directors, in this regard.

Subsequently, the said results along with the report of the Scrutinizer is disclosed to the Stock Exchanges within 48 hours of such declaration, in terms of Regulation 44(3) of the Listing Regulations, uploaded on the website of the Bank and displayed on the notice board at the Registered and Corporate Offices of the Bank, in accordance with the aforesaid provisions of the Companies Act, 2013 and the said Rules.

The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

No special resolution is proposed to be passed through postal ballot.

Special Resolutions passed through postal ballot during the Financial Year 2019-20:

During the year under review, approval of Shareholders of the Bank was sought for the following matters, through postal ballot on 22nd August 2019 and 10th January 2020. The Bank had appointed Shri D. Raghavendar Rao., Practicing Company Secretary (Membership No. ACS 35788/C.P. No. 13407) to act as the Scrutinizer for conducting the said postal ballot process, in a fair and transparent manner.

The summary of the Postal Ballot results in respect of the special resolutions, declared on 22nd August 2019 and 10th January 2020, are as under:

August 2019:

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 including through Qualified Institutions Placement/ American Depository Receipts/Global Depository Receipts/Preferential Allotment or such other permissible mode or combinations thereof.

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
2,04,20,76,228	1,37,24,598	99.33%	0.67%

January 2020:

Re-appointment of Shri S. Vishvanathan (DIN: 02255828) as an Independent Director of the Bank, for a period of 3 years, with effect from 11th February 2020 up to 10th February 2023 (both days inclusive).

No. of votes in favour	No. of votes against	% of votes in favor	% of votes against
2,12,19,15,016	50,37,564	99.76%	0.24%

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. The number of branches (including extension counters) as on 31st March 2020 stood at 4,528.

The list of branches is uploaded on the website of the Bank at <https://branch.axisbank.com>.

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent
<p>Axis Bank Limited [CIN: L65110GJ1993PLC020769] 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad-380 006. Gujarat. Tel. No.: +9179-6630 6161 Fax No.: +9179-2640 9321 Email: shareholders@axisbank.com</p>	<p>Axis Bank Limited 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025. Maharashtra. Tel. No.: +9122-2425 2525 Fax No.: +9122-2425 1800 Email: shareholders@axisbank.com</p>	<p>KFin Technologies Private Limited Unit: Axis Bank Limited. Selenium Tower – B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032. Telangana. Tel. No.: +91 40-6716 2222 Fax No.: +91 40-2300 1153 Toll Free No.: 1800-345-4001 Email: einward.ris@kfintech.com</p>

Debenture Trustees

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate, Mumbai - 400 001.
Phone No. +91 - 22 4080 7000.
Website: www.idbitrustee.com

SBI Cap Trustee Company Limited

6th Floor, Apeejay House, 3,
Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020.
Phone No. +91 - 22 - 4302 5555.
Website: www.sbicaptrustee.com

**COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF
BOARD OF DIRECTORS AND THE CODE OF CONDUCT AND ETHICS FOR SENIOR MANAGEMENT OF
THE BANK, FOR THE FINANCIAL YEAR 2019-20**

I confirm that for the year under review, all Directors and Members of the Senior Management of the Bank, have affirmed compliance with the Codes, as applicable to them.

Amitabh Chaudhry

Managing Director & CEO

Place : Mumbai

Date : 29th April 2020

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014].

I. Registration and Other Details

i)	CIN	L65110GJ1993PLC020769
ii)	Registration Date	3 rd December 1993
iii)	Name of the Company	Axis Bank Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	'Trishul' 3 rd Floor, Opp. Samarsheshwar Temple, Law Garden, Ellisbridge, Ahmedabad, Gujarat - 380 006. Phone: +91-79-6630 61,61, Fax: +91-79-2640 9321 Email: shareholders@axisbank.com
vi)	Whether listed company - Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	KFin Technologies Private Limited Unit: Axis Bank Limited. Selenium Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Telangana. Tel. No. : +91 40-6716 2222 Fax No. : +91 40-2300 1153 Toll Free No. : 1800-345-4001 Email : einward.ris@kfintech.com

II. Principal Business Activities of the Bank

Sr. No.	Name and description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	<ul style="list-style-type: none"> Deposits Loans Investments and foreign exchange 	Section K : Financial and Insurance activities Code : 64191	Not applicable

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Axis Capital Limited	Axis House, 8 th Floor, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U51900MH2005PLC157853	Subsidiary	99.99%	2(87)(ii)
2	Axis Private Equity Limited	Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U66020MH2006PLC165039	Subsidiary	99.99%	2(87)(ii)
3	Axis Trustee Services Limited	Axis House, 2 nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U74999MH2008PLC182264	Subsidiary	99.99%	2(87)(ii)
4	Axis Asset Management Company Limited	Axis House, 1 st Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U65991MH2009PLC189558	Subsidiary	74.99%	2(87)(ii)
5	Axis Mutual Fund Trustee Limited	Axis House, 1 st Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U66020MH2009PLC189325	Subsidiary	74.86%	2(87)(ii)
6	Axis Finance Limited	Axis House, Ground Floor, Wadia International Centre, Worli, Mumbai - 400 025	U65921MH1995PLC212675	Subsidiary	99.99%	2(87)(ii)
7	Axis Securities Limited	Axis House, 8 th Floor, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai - 400 025	U74992MH2006PLC163204	Subsidiary	99.99%	2(87)(ii)

Statutory Reports

Other Reports

Sr. No.	Name	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
8	Axis Bank UK Limited	4 Chilswell street, 1 st Floor, London England, EC1Y 4 UP	Foreign Company (07554558)	Subsidiary	100%	2(87)(ii)
9	A.TREDS Limited	Axis House, C-2 Wadia International Centre, P B Marg, Worli, Mumbai - 400 025	U74999MH2016PLC281452	Subsidiary	66.99%	2(87)(ii)
10	Freecharge Payment Technologies Private Limited	2 nd Floor, Plot No. 25, Pusa Road, New Delhi-110005	U74140DL2015PTC275419	Subsidiary	99.99%	2(87)(ii)
11	Accelyst Solutions Private Limited	1 st floor, Corporate Park-2, Sion - Trombay Road, Near Swastik Chambers, Chembur, Mumbai - 400071	U72900MH2008PTC185202	Subsidiary	99.99%	2(87)(ii)
12	Axis Capital USA, LLC.	1675 South State Street, Suite B, Dover, County of Kent, Delaware -19901	Foreign Company	Step down Subsidiary	100% held by Axis Capital Limited	2(87)(ii)

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (31.03.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
1. Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	46,79,96,778	0	46,79,96,778	18.20	44,27,76,936	0	44,27,76,936	15.69	-2.51
Any Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	46,79,96,778	0	46,79,96,778	18.20	44,27,76,936	0	44,27,76,936	15.69	-2.51
2. Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter									
(A) = (A)(1)+(A)(2)	46,79,96,778	0	46,79,96,778	18.20	44,27,76,936	0	44,27,76,936	15.69	-2.51
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	38,41,94,826	0	38,41,94,826	14.94	56,75,41,277	0	56,75,41,277	20.11	5.17
b) Banks / FI	25,23,036	500	25,23,536	0.10	31,46,636	0	31,46,636	0.11	0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	5,35,25,902	0	5,35,25,902	2.08	6,11,55,834	0	6,11,55,834	2.17	0.09
g) FIs	1,24,22,17,871	0	1,24,22,17,871	48.30	1,25,85,82,536	0	1,25,85,82,536	44.60	-3.70
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Other (specify)	34	0	34	0.00	4,69,87,481	0	4,69,87,481	1.67	1.67

Category of Shareholders	No. of Shares held at the beginning of the year (31.03.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(1):-	1,68,24,61,669	500	1,68,24,62,169	65.42	1,93,74,13,764	0	1,93,74,13,764	68.66	3.24
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	9,42,58,130	16,000	9,42,74,130	3.67	3,64,21,258	16,000	3,64,37,258	1.29	-2.38
ii) Overseas	8,75,00,000	0	8,75,00,000	3.40	13,28,57,385	0	13,28,57,385	4.71	1.31
b) Individuals									
i) Individuals holding nominal share capital upto ₹ 1 lakh	7,86,77,198	55,04,806	8,41,82,004	3.28	10,28,91,184	45,45,721	10,74,36,905	3.81	0.53
ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	4,35,12,538	0	4,35,12,538	1.69	3,08,19,847	2,33,900	3,10,53,747	1.10	-0.59
c) Others (specify)									
HUF	11,73,199	0	11,73,199	0.05	16,67,752	0	16,67,752	0.06	0.01
Trusts	2,07,70,451	0	2,07,70,451	0.81	3,74,56,856	0	3,74,56,856	1.33	0.52
Clearing Members	1,08,71,576	0	1,08,71,576	0.42	1,65,45,792	0	1,65,45,792	0.59	0.17
Non Resident Indians	29,12,269	2,000	29,14,269	0.11	41,46,408	2,000	41,48,408	0.15	0.04
NRI Non-Repatriation	23,52,784	0	23,52,784	0.09	31,74,674	0	31,74,674	0.11	0.02
Foreign Bodies-Dr	6,08,417	0	6,08,417	0.02	37,24,347	0	37,24,347	0.13	0.11
Foreign Nationals	750	0	750	0.00	2,323	0	2,323	0.00	0.00
IEPF	6,84,611	0	6,84,611	0.03	7,92,780	0	7,92,780	0.03	0.00
NBFC	21,541	0	21,541	0.00	5,576	0	5,576	0.00	0.00
AIF	39,81,369	0	39,81,369	0.15	1,13,15,286	0	1,13,15,286	0.40	0.25
Sub-total (B)(2):-	34,73,24,833	5,5,22,806	35,28,47,639	13.72	38,18,21,468	47,97,621	38,66,19,089	13.71	-0.01
Total Public Shareholding (B)=(B)(1)+(B)(2)	2,02,97,86,502	55,23,306	2,03,53,09,808	79.14	2,31,92,35,232	47,97,621	2,32,40,32,853	82.37	3.23
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	6,83,38,285	0	6,83,38,285	2.66	5,48,68,145	0	5,48,68,145	1.94	-0.72
Grand Total (A+B+C)	2,56,61,21,565	55,23,306	2,57,16,44,871	100.00	2,81,68,80,313	47,97,621	2,82,16,77,934	100.00	0.00

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 31/03/2019			Shareholding at the end of the year 31/03/2020			% change in Share holding during the year
		No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total Shares	
1	Administrator of the Specified Undertaking of the Unit Trust of India - SUUTI	13,68,87,639	5.32	-	12,96,52,427	4.59	-	-0.73
2	Life Insurance Corporation of India	27,05,83,548	10.52	-	25,43,77,246	9.02	-	-1.50
3	General Insurance Corporation of India	3,40,62,729	1.32	-	3,17,15,229	1.12	-	-0.20
4	The New India Assurance Company Limited	2,05,91,585	0.8	-	2,05,91,585	0.73	-	-0.07

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Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 31/03/2019			Shareholding at the end of the year 31/03/2020			% change in Share holding during the year
		No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total Shares	
5	National Insurance Company Limited	5,49,681	0.02	-	5,49,681	0.02	-	0.00
6	The Oriental Insurance Company Limited	49,97,520	0.19	-	49,77,520	0.18	-	-0.01
7	United India Insurance Company Limited	3,24,076	0.01	-	9,13,248	0.03	-	0.02
	Total	46,79,96,778	18.18		44,27,76,936	15.69		-2.49

iii. Change in Promoters' Shareholding

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Life Insurance Corporation of India	27,05,83,548	10.52	31/03/2019			27,05,83,548	10.52
				03/05/2019	-3,17,825	Transfer	27,02,65,723	10.51
				10/05/2019	8,450	Transfer	27,02,74,173	10.51
				10/05/2019	-8,72,973	Transfer	26,94,01,200	10.47
				17/05/2019	21,000	Transfer	26,94,22,200	10.47
				17/05/2019	-6,15,000	Transfer	26,88,07,200	10.45
				24/05/2019	-9,731	Transfer	26,87,97,469	10.45
				21/06/2019	-14,10,116	Transfer	26,73,87,353	10.21
				28/06/2019	-25,48,673	Transfer	26,48,38,680	10.11
				05/07/2019	-16,64,045	Transfer	26,31,74,635	10.05
				12/07/2019	-7,24,422	Transfer	26,24,50,213	10.02
				19/07/2019	-14,22,716	Transfer	26,10,27,497	9.96
				26/07/2019	-10,50,251	Transfer	25,99,77,246	9.92
				06/12/2019	-9,08,848	Transfer	25,90,68,398	9.19
				20/12/2019	-38,42,657	Transfer	25,52,25,741	9.05
		27/12/2019	-8,48,495	Transfer	25,43,77,246	9.02		
						25,43,77,246	9.02	
2	Administrator of the Specified Undertaking of the Unit Trust of India	13,68,87,639	5.32	31/03/2019			13,68,87,639	5.32
				04/10/2019	-75,97,965	Transfer	12,92,89,674	4.59
				18/10/2019	3,62,753	Transfer	12,96,52,427	4.60
		12,96,52,427	4.59	31/03/2020			12,96,52,427	4.59
3	General Insurance Corporation of India	3,40,62,729	1.32	31/03/2019			3,40,62,729	1.32
				24/05/2019	-1,00,000	Transfer	3,39,62,729	1.32
				31/05/2019	-35,000	Transfer	3,39,27,729	1.30
				07/06/2019	-41,521	Transfer	3,38,86,208	1.29
				14/06/2019	-23,479	Transfer	3,38,62,729	1.29
				20/12/2019	-6,00,000	Transfer	3,32,62,729	1.18
				27/12/2019	-7,47,500	Transfer	3,25,15,229	1.15
				14/02/2020	-30,000	Transfer	3,24,85,229	1.15
				21/02/2020	-3,00,000	Transfer	3,21,85,229	1.14
				28/02/2020	-4,70,000	Transfer	3,17,15,229	1.12
					3,17,15,229	1.12		
4	The New India Assurance Company Limited	2,05,91,585	0.80	31/03/2019			2,05,91,585	0.80
		2,05,91,585	0.73	31/03/2020			2,05,91,585	0.73

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
5	The Oriental Insurance Company Limited	49,97,520	0.19	31/03/2019			49,97,520	0.19
				05/04/2019	-20,000	Transfer	49,77,520	0.19
		49,77,520	0.18	31/03/2020			49,77,520	0.18
6	National Insurance Company Ltd	5,49,681	0.02	31/03/2019			5,49,681	0.02
		5,49,681	0.02	31/03/2020			5,49,681	0.02
7	United India Insurance Company Limited	3,24,076	0.01	31/03/2019			3,24,076	0.01
				06/03/2020	1,29,172	Transfer	4,53,248	0.02
				13/03/2020	1,40,000	Transfer	5,93,248	0.02
				20/03/2020	2,70,000	Transfer	8,63,248	0.03
				27/03/2020	50,000	Transfer	9,13,248	0.03
		9,13,248	0.03	31/03/2020			9,13,248	0.03

iv) Shareholding pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Europacific Growth Fund	6,46,12,400	2.51	31/03/2019			6,46,12,400	2.51
				12/04/2019	-25,19,868	Transfer	6,20,92,532	2.41
				19/04/2019	-13,30,821	Transfer	6,07,61,711	2.36
				12/07/2019	-26,20,722	Transfer	5,81,40,989	2.22
				19/07/2019	-12,49,278	Transfer	5,68,91,711	2.17
				10/01/2020	5,80,000	Transfer	5,74,71,711	2.04
				31/01/2020	5,00,000	Transfer	5,79,71,711	2.06
				5,79,71,711	2.05	31/03/2020		
2	SBI Dual Advantage Fund - Series XXII	5,56,43,037	2.16	30/03/2019			5,56,43,037	2.16
				05/04/2019	25,99,155	Transfer	5,82,42,192	2.26
				12/04/2019	17,205	Transfer	5,82,59,397	2.27
				12/04/2019	-69,617	Transfer	5,81,89,780	2.26
				19/04/2019	63,981	Transfer	5,82,53,761	2.26
				19/04/2019	-64,030	Transfer	5,81,89,731	2.26
				26/04/2019	2,54,884	Transfer	5,84,44,615	2.27
				26/04/2019	-80,001	Transfer	5,83,64,614	2.27
				03/05/2019	2,59,170	Transfer	5,86,23,784	2.28
		10/05/2019	4,73,451	Transfer	5,90,97,235	2.30		
				10/05/2019	-50,000	Transfer	5,90,47,235	2.30

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Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				17/05/2019	4,48,448	Transfer	5,94,95,683	2.31
				24/05/2019	6,96,353	Transfer	6,01,92,036	2.34
				24/05/2019	-3,54,008	Transfer	5,98,38,028	2.33
				31/05/2019	2,41,299	Transfer	6,00,79,327	2.29
				07/06/2019	1,06,656	Transfer	6,01,85,983	2.30
				07/06/2019	-2,19,700	Transfer	5,99,66,283	2.29
				14/06/2019	1,65,764	Transfer	6,01,32,047	2.30
				21/06/2019	2,00,068	Transfer	6,03,32,115	2.30
				21/06/2019	-11,00,000	Transfer	5,92,32,115	2.26
				28/06/2019	7,36,267	Transfer	5,99,68,382	2.29
				28/06/2019	-3	Transfer	5,99,68,379	2.29
				05/07/2019	22,64,981	Transfer	6,22,33,360	2.38
				05/07/2019	-5,00,076	Transfer	6,17,33,284	2.36
				12/07/2019	6,30,358	Transfer	6,23,63,642	2.38
				19/07/2019	4,10,529	Transfer	6,27,74,171	2.40
				19/07/2019	-4,352	Transfer	6,27,69,819	2.40
				26/07/2019	8,68,528	Transfer	6,36,38,347	2.43
				02/08/2019	45,51,804	Transfer	6,81,90,151	2.60
				02/08/2019	-56,500	Transfer	6,81,33,651	2.60
				09/08/2019	36,13,885	Transfer	7,17,47,536	2.74
				09/08/2019	-13,732	Transfer	7,17,33,804	2.74
				16/08/2019	24,22,683	Transfer	7,41,56,487	2.83
				23/08/2019	1,94,870	Transfer	7,43,51,357	2.84
				30/08/2019	8,44,101	Transfer	7,51,95,458	2.87
				30/08/2019	-1,19,650	Transfer	7,50,75,808	2.87
				06/09/2019	15,53,137	Transfer	7,66,28,945	2.92
				06/09/2019	-6	Transfer	7,66,28,939	2.92
				13/09/2019	88,850	Transfer	7,67,17,789	2.93
				13/09/2019	-2,04,106	Transfer	7,65,13,683	2.92
				20/09/2019	6,19,000	Transfer	7,71,32,683	2.94
				20/09/2019	-31	Transfer	7,71,32,652	2.94
				27/09/2019	23,35,189	Transfer	7,94,67,841	3.03
				27/09/2019	-18,38,524	Transfer	7,76,29,317	2.96
				30/09/2019	1,64,81,163	Transfer	9,41,10,480	3.34
				30/09/2019	-13,505	Transfer	9,40,96,975	3.34
				04/10/2019	2,00,934	Transfer	9,42,97,909	3.34
				04/10/2019	-15,04,500	Transfer	9,27,93,409	3.29
				11/10/2019	44,00,015	Transfer	9,71,93,424	3.45
				11/10/2019	-55,000	Transfer	9,71,38,424	3.45
				18/10/2019	5,13,060	Transfer	9,76,51,484	3.46
				25/10/2019	2,26,771	Transfer	9,78,78,255	3.47
				25/10/2019	-4,20,384	Transfer	9,74,57,871	3.46
				01/11/2019	4,64,566	Transfer	9,79,22,437	3.47
				01/11/2019	-72,097	Transfer	9,78,50,340	3.47
				08/11/2019	4,82,951	Transfer	9,83,33,291	3.49
				08/11/2019	-8,79,002	Transfer	9,74,54,289	3.46
				15/11/2019	3,83,865	Transfer	9,78,38,154	3.47
				15/11/2019	-10,22,852	Transfer	9,68,15,302	3.43
				22/11/2019	3,08,655	Transfer	9,71,23,957	3.44
				22/11/2019	-3,03,654	Transfer	9,68,20,303	3.43
				29/11/2019	18,25,030	Transfer	9,86,45,333	3.50
				06/12/2019	5,72,834	Transfer	9,92,18,167	3.52

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				06/12/2019	-7,99,409	Transfer	9,84,18,758	3.49
				13/12/2019	6,27,204	Transfer	9,90,45,962	3.51
				13/12/2019	-97,771	Transfer	9,89,48,191	3.51
				20/12/2019	4,94,348	Transfer	9,94,42,539	3.53
				20/12/2019	-4,242	Transfer	9,94,38,297	3.53
				27/12/2019	6,97,884	Transfer	10,01,36,181	3.55
				27/12/2019	-2,00,312	Transfer	9,99,35,869	3.54
				31/12/2019	3,57,701	Transfer	10,02,93,570	3.56
				31/12/2019	-20,001	Transfer	10,02,73,569	3.56
				03/01/2020	1,30,295	Transfer	10,04,03,864	3.56
				03/01/2020	-5,720	Transfer	10,03,98,144	3.56
				10/01/2020	1,36,013	Transfer	10,05,34,157	3.57
				10/01/2020	-2,74,765	Transfer	10,02,59,392	3.56
				17/01/2020	1,45,122	Transfer	10,04,04,514	3.56
				17/01/2020	-7,008	Transfer	10,03,97,506	3.56
				24/01/2020	1,50,750	Transfer	10,05,48,256	3.57
				24/01/2020	-1,45,728	Transfer	10,04,02,528	3.56
				31/01/2020	2,04,222	Transfer	10,06,06,750	3.57
				31/01/2020	-10,965	Transfer	10,05,95,785	3.57
				07/02/2020	1,77,487	Transfer	10,07,73,272	3.57
				07/02/2020	-10,48,667	Transfer	9,97,24,605	3.54
				14/02/2020	6,85,564	Transfer	10,04,10,169	3.56
				14/02/2020	-1,20,114	Transfer	10,02,90,055	3.56
				21/02/2020	93,478	Transfer	10,03,83,533	3.56
				21/02/2020	-25,011	Transfer	10,03,58,522	3.56
				28/02/2020	10,15,674	Transfer	10,13,74,196	3.59
				28/02/2020	-3,14,558	Transfer	10,10,59,638	3.58
				06/03/2020	9,53,523	Transfer	10,20,13,161	3.62
				13/03/2020	5,86,841	Transfer	10,26,00,002	3.64
				20/03/2020	2,36,41,652	Transfer	12,62,41,654	4.47
				20/03/2020	-1,27,44,750	Transfer	11,34,96,904	4.02
				27/03/2020	53,02,623	Transfer	11,87,99,527	4.21
				27/03/2020	-10,60,693	Transfer	11,77,38,834	4.17
				31/03/2020	14,60,369	Transfer	11,91,99,203	4.22
		11,91,99,203	4.22	31/03/2020			11,91,99,203	4.22
3	BC Asia Investments VII Limited - FDI	5,56,00,000	2.16	31/03/2019			5,56,00,000	2.16
		5,56,00,000	1.97	31/03/2020			5,56,00,000	1.97
4	ICICI Prudential Life Insurance Company Limited	5,14,25,051	2.00	31/03/2019			5,14,25,051	2.00
				05/04/2019	-2,71,364	Transfer	5,11,53,687	1.99
				12/04/2019	-8,88,002	Transfer	5,02,65,685	1.95
				19/04/2019	-1,17,722	Transfer	5,01,47,963	1.95
				26/04/2019	77,450	Transfer	5,02,25,413	1.95
				26/04/2019	-1,13,072	Transfer	5,01,12,341	1.95
				03/05/2019	8,34,585	Transfer	5,09,46,926	1.98
				03/05/2019	-32,500	Transfer	5,09,14,426	1.98
				10/05/2019	1,55,128	Transfer	5,10,69,554	1.99
				17/05/2019	-3,23,883	Transfer	5,07,45,671	1.97
				24/05/2019	-15,241	Transfer	5,07,30,430	1.97
				31/05/2019	-59,553	Transfer	5,06,70,877	1.94
				07/06/2019	57,500	Transfer	5,07,28,377	1.94
				07/06/2019	-2,02,597	Transfer	5,05,25,780	1.93
				14/06/2019	-10,734	Transfer	5,05,15,046	1.93

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Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				21/06/2019	-3,76,519	Transfer	5,01,38,527	1.91
				28/06/2019	55,669	Transfer	5,01,94,196	1.92
				05/07/2019	-1,45,887	Transfer	5,00,48,309	1.91
				12/07/2019	-15,19,466	Transfer	4,85,28,843	1.85
				19/07/2019	-7,34,796	Transfer	4,77,94,047	1.82
				26/07/2019	-2,16,537	Transfer	4,75,77,510	1.82
				02/08/2019	5,000	Transfer	4,75,82,510	1.82
				02/08/2019	-82,15,710	Transfer	3,93,66,800	1.50
				09/08/2019	-82,965	Transfer	3,92,83,835	1.50
				16/08/2019	-8,42,509	Transfer	3,84,41,326	1.47
				23/08/2019	25,112	Transfer	3,84,66,438	1.47
				30/08/2019	-4,37,412	Transfer	3,80,29,026	1.45
				06/09/2019	-20,767	Transfer	3,80,08,259	1.45
				13/09/2019	2,733	Transfer	3,80,10,992	1.45
				20/09/2019	-16,17,503	Transfer	3,63,93,489	1.39
				27/09/2019	-15,30,142	Transfer	3,48,63,347	1.33
				30/09/2019	22,03,898	Transfer	3,70,67,245	1.31
				04/10/2019	20,000	Transfer	3,70,87,245	1.32
				04/10/2019	-87,180	Transfer	3,70,00,065	1.31
				11/10/2019	-10,12,941	Transfer	3,59,87,124	1.28
				18/10/2019	-3,02,686	Transfer	3,56,84,438	1.27
				25/10/2019	-6,85,156	Transfer	3,49,99,282	1.24
				01/11/2019	-2,57,103	Transfer	3,47,42,179	1.23
				08/11/2019	1,56,000	Transfer	3,48,98,179	1.24
				08/11/2019	-2,57,242	Transfer	3,46,40,937	1.23
				15/11/2019	-24,358	Transfer	3,46,16,579	1.23
				22/11/2019	-62,551	Transfer	3,45,54,028	1.23
				29/11/2019	-3,71,874	Transfer	3,41,82,154	1.21
				06/12/2019	4,39,450	Transfer	3,46,21,604	1.23
				13/12/2019	-12,65,652	Transfer	3,33,55,952	1.18
				20/12/2019	-8,81,081	Transfer	3,24,74,871	1.15
				27/12/2019	-1,90,353	Transfer	3,22,84,518	1.15
				31/12/2019	-52,471	Transfer	3,22,32,047	1.14
				03/01/2020	-21,793	Transfer	3,22,10,254	1.14
				10/01/2020	-6,31,386	Transfer	3,15,78,868	1.12
				17/01/2020	-9,74,435	Transfer	3,06,04,433	1.09
				24/01/2020	-3,87,031	Transfer	3,02,17,402	1.07
				31/01/2020	-9,570	Transfer	3,02,07,832	1.07
				07/02/2020	-1,76,332	Transfer	3,00,31,500	1.06
				14/02/2020	-91,918	Transfer	2,99,39,582	1.06
				21/02/2020	-74,984	Transfer	2,98,64,598	1.06
				28/02/2020	3,43,470	Transfer	3,02,08,068	1.07
				06/03/2020	4,34,792	Transfer	3,06,42,860	1.09
				13/03/2020	2,85,615	Transfer	3,09,28,475	1.10
				20/03/2020	-12,43,061	Transfer	2,96,85,414	1.05
				27/03/2020	3,14,377	Transfer	2,99,99,791	1.06
				31/03/2020	1,11,977	Transfer	3,01,11,768	1.07
		3,01,11,768	1.07	31/03/2020			3,01,11,768	1.07
5	Kotak Emerging Equity Scheme	3,07,61,992	1.20	31/03/2019			3,07,61,992	1.20
				05/04/2019	22,35,849	Transfer	3,29,97,841	1.28
				12/04/2019	87,701	Transfer	3,30,85,542	1.29
				19/04/2019	998	Transfer	3,30,86,540	1.29

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				19/04/2019	-2,28,564	Transfer	3,28,57,976	1.28
				26/04/2019	18,282	Transfer	3,28,76,258	1.28
				26/04/2019	-11,990	Transfer	3,28,64,268	1.28
				03/05/2019	62,147	Transfer	3,29,26,415	1.28
				10/05/2019	7,13,160	Transfer	3,36,39,575	1.31
				17/05/2019	3,45,190	Transfer	3,39,84,765	1.32
				24/05/2019	6,98,450	Transfer	3,46,83,215	1.35
				24/05/2019	-18,540	Transfer	3,46,64,675	1.35
				31/05/2019	4,55,535	Transfer	3,51,20,210	1.34
				31/05/2019	-14,648	Transfer	3,51,05,562	1.34
				07/06/2019	2,14,233	Transfer	3,53,19,795	1.35
				07/06/2019	-2,228	Transfer	3,53,17,567	1.35
				14/06/2019	1,16,142	Transfer	3,54,33,709	1.35
				14/06/2019	-25,000	Transfer	3,54,08,709	1.35
				21/06/2019	81,588	Transfer	3,54,90,297	1.35
				21/06/2019	-35,498	Transfer	3,54,54,799	1.35
				28/06/2019	4,75,811	Transfer	3,59,30,610	1.37
				28/06/2019	-50,081	Transfer	3,58,80,529	1.37
				05/07/2019	16,73,019	Transfer	3,75,53,548	1.43
				12/07/2019	6,13,990	Transfer	3,81,67,538	1.46
				19/07/2019	11,35,730	Transfer	3,93,03,268	1.50
				26/07/2019	14,29,308	Transfer	4,07,32,576	1.55
				26/07/2019	-1,66,515	Transfer	4,05,66,061	1.55
				02/08/2019	11,91,435	Transfer	4,17,57,496	1.59
				02/08/2019	-64,443	Transfer	4,16,93,053	1.59
				09/08/2019	9,94,689	Transfer	4,26,87,742	1.63
				09/08/2019	-3,163	Transfer	4,26,84,579	1.63
				16/08/2019	5,51,800	Transfer	4,32,36,379	1.65
				23/08/2019	1,78,096	Transfer	4,34,14,475	1.66
				23/08/2019	-6,92,400	Transfer	4,27,22,075	1.63
				30/08/2019	4,27,805	Transfer	4,31,49,880	1.65
				30/08/2019	-32,500	Transfer	4,31,17,380	1.65
				06/09/2019	12,02,292	Transfer	4,43,19,672	1.69
				06/09/2019	-13	Transfer	4,43,19,659	1.69
				13/09/2019	518	Transfer	4,43,20,177	1.69
				13/09/2019	-12,27,662	Transfer	4,30,92,515	1.64
				20/09/2019	1,06,732	Transfer	4,31,99,247	1.65
				20/09/2019	-2,69,549	Transfer	4,29,29,698	1.64
				27/09/2019	4,94,117	Transfer	4,34,23,815	1.66
				27/09/2019	-21,81,600	Transfer	4,12,42,215	1.57
				30/09/2019	9,56,963	Transfer	4,21,99,178	1.50
				30/09/2019	-3,90,267	Transfer	4,18,08,911	1.48
				04/10/2019	17,40,306	Transfer	4,35,49,217	1.54
				11/10/2019	40,03,212	Transfer	4,75,52,429	1.69
				18/10/2019	4,35,803	Transfer	4,79,88,232	1.70
				18/10/2019	-1,16,424	Transfer	4,78,71,808	1.70
				25/10/2019	1,97,389	Transfer	4,80,69,197	1.71
				25/10/2019	-8	Transfer	4,80,69,189	1.71
				01/11/2019	83,754	Transfer	4,81,52,943	1.71
				01/11/2019	-5,95,104	Transfer	4,75,57,839	1.69
				08/11/2019	1,12,794	Transfer	4,76,70,633	1.69
				08/11/2019	-1,19,522	Transfer	4,75,51,111	1.69

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Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				15/11/2019	32,185	Transfer	4,75,83,296	1.69
				15/11/2019	-3,08,631	Transfer	4,72,74,665	1.68
				22/11/2019	50,029	Transfer	4,73,24,694	1.68
				22/11/2019	-4,67,755	Transfer	4,68,56,939	1.66
				29/11/2019	1,64,878	Transfer	4,70,21,817	1.67
				29/11/2019	-1,62,256	Transfer	4,68,59,561	1.66
				06/12/2019	8,93,077	Transfer	4,77,52,638	1.69
				06/12/2019	-21,76,782	Transfer	4,55,75,856	1.62
				13/12/2019	7,97,400	Transfer	4,63,73,256	1.64
				13/12/2019	-4,48,762	Transfer	4,59,24,494	1.63
				20/12/2019	16,18,901	Transfer	4,75,43,395	1.69
				20/12/2019	-61	Transfer	4,75,43,334	1.69
				27/12/2019	1,179	Transfer	4,75,44,513	1.69
				27/12/2019	-54,229	Transfer	4,74,90,284	1.68
				31/12/2019	5,53,961	Transfer	4,80,44,245	1.70
				03/01/2020	43,602	Transfer	4,80,87,847	1.71
				03/01/2020	-63,625	Transfer	4,80,24,222	1.70
				10/01/2020	840	Transfer	4,80,25,062	1.70
				10/01/2020	-7,30,065	Transfer	4,72,94,997	1.68
				17/01/2020	69,017	Transfer	4,73,64,014	1.68
				17/01/2020	-2,84,400	Transfer	4,70,79,614	1.67
				24/01/2020	1,21,309	Transfer	4,72,00,923	1.67
				24/01/2020	-3,01,154	Transfer	4,68,99,769	1.66
				31/01/2020	2,55,577	Transfer	4,71,55,346	1.67
				07/02/2020	7,01,442	Transfer	4,78,56,788	1.70
				07/02/2020	-6,74,711	Transfer	4,71,82,077	1.67
				14/02/2020	6,445	Transfer	4,71,88,522	1.67
				14/02/2020	-1,44,000	Transfer	4,70,44,522	1.67
				21/02/2020	11,916	Transfer	4,70,56,438	1.67
				28/02/2020	1,79,762	Transfer	4,72,36,200	1.67
				28/02/2020	-3,63,600	Transfer	4,68,72,600	1.66
				06/03/2020	2,41,705	Transfer	4,71,14,305	1.67
				06/03/2020	-1,34,400	Transfer	4,69,79,905	1.67
				13/03/2020	6,63,949	Transfer	4,76,43,854	1.69
				20/03/2020	29,80,829	Transfer	5,06,24,683	1.79
				27/03/2020	9,83,105	Transfer	5,16,07,788	1.83
				27/03/2020	-22,67,117	Transfer	4,93,40,671	1.75
				31/03/2020	17,974	Transfer	4,93,58,645	1.75
				31/03/2020	-1,66,297	Transfer	4,91,92,348	1.74
		4,91,92,348	1.74	31/03/2020			4,91,92,348	1.74
6	ICICI Prudential Sensex Index Fund	4,88,47,306	1.90	31/03/2019			4,88,47,306	1.90
				05/04/2019	86,989	Transfer	4,89,34,295	1.90
				05/04/2019	-8,82,491	Transfer	4,80,51,804	1.87
				12/04/2019	3,75,204	Transfer	4,84,27,008	1.88
				12/04/2019	-5,90,795	Transfer	4,78,36,213	1.86
				19/04/2019	1,01,563	Transfer	4,79,37,776	1.86
				19/04/2019	-1,08,759	Transfer	4,78,29,017	1.86
				26/04/2019	1,05,238	Transfer	4,79,34,255	1.86
				26/04/2019	-9,70,255	Transfer	4,69,64,000	1.83
				03/05/2019	6,24,087	Transfer	4,75,88,087	1.85
				03/05/2019	-8,34,412	Transfer	4,67,53,675	1.82
				10/05/2019	7,63,568	Transfer	4,75,17,243	1.85

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				10/05/2019	-2,44,288	Transfer	4,72,72,955	1.84
				17/05/2019	7,25,921	Transfer	4,79,98,876	1.87
				17/05/2019	-4,76,755	Transfer	4,75,22,121	1.85
				24/05/2019	4,726	Transfer	4,75,26,847	1.85
				24/05/2019	-1,17,108	Transfer	4,74,09,739	1.84
				31/05/2019	5,560	Transfer	4,74,15,299	1.81
				31/05/2019	-6,02,899	Transfer	4,68,12,400	1.79
				07/06/2019	1,635	Transfer	4,68,14,035	1.79
				07/06/2019	-31,136	Transfer	4,67,82,899	1.79
				14/06/2019	2,134	Transfer	4,67,85,033	1.79
				14/06/2019	-11,65,399	Transfer	4,56,19,634	1.74
				21/06/2019	1,83,436	Transfer	4,58,03,070	1.75
				21/06/2019	-3,312	Transfer	4,57,99,758	1.75
				28/06/2019	49,831	Transfer	4,58,49,589	1.75
				28/06/2019	-10,46,258	Transfer	4,48,03,331	1.71
				05/07/2019	5,365	Transfer	4,48,08,696	1.71
				05/07/2019	-13,88,353	Transfer	4,34,20,343	1.66
				12/07/2019	71,844	Transfer	4,34,92,187	1.66
				12/07/2019	-2,448	Transfer	4,34,89,739	1.66
				19/07/2019	7,74,962	Transfer	4,42,64,701	1.69
				19/07/2019	-37,937	Transfer	4,42,26,764	1.69
				26/07/2019	18,36,197	Transfer	4,60,62,961	1.76
				26/07/2019	-3,34,884	Transfer	4,57,28,077	1.75
				02/08/2019	59,04,413	Transfer	5,16,32,490	1.97
				09/08/2019	30,76,083	Transfer	5,47,08,573	2.09
				09/08/2019	-1,982	Transfer	5,47,06,591	2.09
				16/08/2019	8,73,853	Transfer	5,55,80,444	2.12
				16/08/2019	-1,057	Transfer	5,55,79,387	2.12
				23/08/2019	5,80,050	Transfer	5,61,59,437	2.14
				23/08/2019	-1,10,187	Transfer	5,60,49,250	2.14
				30/08/2019	21,79,259	Transfer	5,82,28,509	2.22
				30/08/2019	-11,54,309	Transfer	5,70,74,200	2.18
				06/09/2019	39,08,033	Transfer	6,09,82,233	2.33
				06/09/2019	-468	Transfer	6,09,81,765	2.33
				13/09/2019	1,80,268	Transfer	6,11,62,033	2.33
				20/09/2019	13,81,569	Transfer	6,25,43,602	2.39
				20/09/2019	-48,319	Transfer	6,24,95,283	2.39
				27/09/2019	7,10,858	Transfer	6,32,06,141	2.41
				27/09/2019	-29,34,725	Transfer	6,02,71,416	2.30
				30/09/2019	68,28,874	Transfer	6,71,00,290	2.38
				30/09/2019	-252	Transfer	6,71,00,038	2.38
				04/10/2019	7,36,645	Transfer	6,78,36,683	2.41
				04/10/2019	-30,72,054	Transfer	6,47,64,629	2.30
				11/10/2019	93,74,614	Transfer	7,41,39,243	2.63
				11/10/2019	-30,708	Transfer	7,41,08,535	2.63
				18/10/2019	7,20,918	Transfer	7,48,29,453	2.65
				18/10/2019	-21,63,842	Transfer	7,26,65,611	2.58
				25/10/2019	4,51,990	Transfer	7,31,17,601	2.59
				25/10/2019	-28,10,222	Transfer	7,03,07,379	2.49
				01/11/2019	1,53,098	Transfer	7,04,60,477	2.50
				01/11/2019	-11,34,234	Transfer	6,93,26,243	2.46
				08/11/2019	1,22,256	Transfer	6,94,48,499	2.46

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Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				08/11/2019	-4,07,820	Transfer	6,90,40,679	2.45
				15/11/2019	3,64,650	Transfer	6,94,05,329	2.46
				15/11/2019	-4,78,274	Transfer	6,89,27,055	2.44
				22/11/2019	2,31,574	Transfer	6,91,58,629	2.45
				22/11/2019	-8,10,542	Transfer	6,83,48,087	2.42
				29/11/2019	1,64,290	Transfer	6,85,12,377	2.43
				29/11/2019	-8,27,514	Transfer	6,76,84,863	2.40
				06/12/2019	5,26,572	Transfer	6,82,11,435	2.42
				06/12/2019	-4,85,437	Transfer	6,77,25,998	2.40
				13/12/2019	6,55,644	Transfer	6,83,81,642	2.43
				13/12/2019	-2,15,739	Transfer	6,81,65,903	2.42
				20/12/2019	4,83,883	Transfer	6,86,49,786	2.43
				20/12/2019	-11,69,103	Transfer	6,74,80,683	2.39
				27/12/2019	6,900	Transfer	6,74,87,583	2.39
				27/12/2019	-15,06,451	Transfer	6,59,81,132	2.34
				31/12/2019	6,94,137	Transfer	6,66,75,269	2.36
				31/12/2019	-48,411	Transfer	6,66,26,858	2.36
				03/01/2020	1,60,288	Transfer	6,67,87,146	2.37
				03/01/2020	-1,34,062	Transfer	6,66,53,084	2.36
				10/01/2020	10,83,035	Transfer	6,77,36,119	2.40
				10/01/2020	-87,510	Transfer	6,76,48,609	2.40
				17/01/2020	2,12,999	Transfer	6,78,61,608	2.41
				17/01/2020	-3,06,255	Transfer	6,75,55,353	2.40
				24/01/2020	2,61,523	Transfer	6,78,16,876	2.41
				24/01/2020	-25,60,391	Transfer	6,52,56,485	2.31
				31/01/2020	93,223	Transfer	6,53,49,708	2.32
				31/01/2020	-6,08,395	Transfer	6,47,41,313	2.30
				07/02/2020	7,18,868	Transfer	6,54,60,181	2.32
				07/02/2020	-41,72,688	Transfer	6,12,87,493	2.17
				14/02/2020	3,37,776	Transfer	6,16,25,269	2.18
				14/02/2020	-10,46,889	Transfer	6,05,78,380	2.15
				21/02/2020	6,630	Transfer	6,05,85,010	2.15
				21/02/2020	-4,53,132	Transfer	6,01,31,878	2.13
				28/02/2020	3,40,538	Transfer	6,04,72,416	2.14
				28/02/2020	-32,46,930	Transfer	5,72,25,486	2.03
				06/03/2020	38,51,114	Transfer	6,10,76,600	2.17
				06/03/2020	-2,142	Transfer	6,10,74,458	2.16
				13/03/2020	8,44,006	Transfer	6,19,18,464	2.19
				13/03/2020	-12,38,574	Transfer	6,06,79,890	2.15
				20/03/2020	21,28,424	Transfer	6,28,08,314	2.23
				20/03/2020	-37,848	Transfer	6,27,70,466	2.22
				27/03/2020	42,39,796	Transfer	6,70,10,262	2.38
				27/03/2020	-15,32,799	Transfer	6,54,77,463	2.32
				31/03/2020	3,56,439	Transfer	6,58,33,902	2.33
				31/03/2020	-62	Transfer	6,58,33,840	2.33
				31/03/2020			6,58,33,840	2.33
7	Reliance Capital Trustee Co. Ltd-A/C Reliancesmall	6,58,33,840	2.33	31/03/2020			6,58,33,840	2.33
		4,64,92,062	1.81	31/03/2019			4,64,92,062	1.81
				05/04/2019	14,90,710	Transfer	4,79,82,772	1.87
				05/04/2019	-14,81,532	Transfer	4,65,01,240	1.81
				12/04/2019	1,47,599	Transfer	4,66,48,839	1.81
				12/04/2019	-50,000	Transfer	4,65,98,839	1.81
				19/04/2019	2,52,300	Transfer	4,68,51,139	1.82

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				19/04/2019	-8,02,238	Transfer	4,60,48,901	1.79
				26/04/2019	3,99,698	Transfer	4,64,48,599	1.81
				26/04/2019	-1,02,132	Transfer	4,63,46,467	1.80
				03/05/2019	8,72,423	Transfer	4,72,18,890	1.84
				03/05/2019	-10,09,229	Transfer	4,62,09,661	1.80
				10/05/2019	13,49,924	Transfer	4,75,59,585	1.85
				10/05/2019	-9,28,326	Transfer	4,66,31,259	1.81
				17/05/2019	2,83,771	Transfer	4,69,15,030	1.82
				17/05/2019	-23,930	Transfer	4,68,91,100	1.82
				24/05/2019	7,46,404	Transfer	4,76,37,504	1.85
				24/05/2019	-20,34,516	Transfer	4,56,02,988	1.77
				31/05/2019	3,93,998	Transfer	4,59,96,986	1.76
				31/05/2019	-12,00,397	Transfer	4,47,96,589	1.71
				07/06/2019	2,18,419	Transfer	4,50,15,008	1.72
				07/06/2019	-13,60,281	Transfer	4,36,54,727	1.67
				14/06/2019	9,89,790	Transfer	4,46,44,517	1.70
				14/06/2019	-8,35,000	Transfer	4,38,09,517	1.67
				21/06/2019	6,46,301	Transfer	4,44,55,818	1.70
				21/06/2019	-219	Transfer	4,44,55,599	1.70
				28/06/2019	21,58,581	Transfer	4,66,14,180	1.78
				28/06/2019	-2	Transfer	4,66,14,178	1.78
				05/07/2019	26,21,532	Transfer	4,92,35,710	1.88
				05/07/2019	-3,98,146	Transfer	4,88,37,564	1.86
				12/07/2019	1,68,106	Transfer	4,90,05,670	1.87
				12/07/2019	-69,457	Transfer	4,89,36,213	1.87
				19/07/2019	11,29,110	Transfer	5,00,65,323	1.91
				19/07/2019	-2,45,022	Transfer	4,98,20,301	1.90
				26/07/2019	20,09,644	Transfer	5,18,29,945	1.98
				26/07/2019	-1,12,431	Transfer	5,17,17,514	1.97
				02/08/2019	8,20,567	Transfer	5,25,38,081	2.01
				02/08/2019	-76,033	Transfer	5,24,62,048	2.00
				09/08/2019	1,22,29,946	Transfer	6,46,91,994	2.47
				09/08/2019	-1,16,48,403	Transfer	5,30,43,591	2.02
				16/08/2019	1,85,525	Transfer	5,32,29,116	2.03
				16/08/2019	-3,63,860	Transfer	5,28,65,256	2.02
				23/08/2019	3,527	Transfer	5,28,68,783	2.02
				23/08/2019	-17,85,437	Transfer	5,10,83,346	1.95
				30/08/2019	7,81,925	Transfer	5,18,65,271	1.98
				30/08/2019	-2,265	Transfer	5,18,63,006	1.98
				06/09/2019	10,84,150	Transfer	5,29,47,156	2.02
				06/09/2019	-4,21,271	Transfer	5,25,25,885	2.00
				13/09/2019	11,400	Transfer	5,25,37,285	2.01
				13/09/2019	-80,000	Transfer	5,24,57,285	2.00
				20/09/2019	7,03,612	Transfer	5,31,60,897	2.03
				20/09/2019	-3,00,000	Transfer	5,28,60,897	2.02
				27/09/2019	2,70,498	Transfer	5,31,31,395	2.03
				27/09/2019	-35,52,289	Transfer	4,95,79,106	1.89
				30/09/2019	29,30,394	Transfer	5,25,09,500	1.86
				04/10/2019	25,31,371	Transfer	5,50,40,871	1.95
				04/10/2019	-19,59,575	Transfer	5,30,81,296	1.88
				11/10/2019	18,02,971	Transfer	5,48,84,267	1.95
				11/10/2019	-10,75,490	Transfer	5,38,08,777	1.91

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
8	HDFC Trustee Co Ltd A/C HDFC Housing Opportunities	4,47,39,844	1.74	31/03/2019			4,47,39,844	1.74
				05/04/2019	3,00,571	Transfer	4,50,40,415	1.75
				05/04/2019	-12,392	Transfer	4,50,28,023	1.75
				12/04/2019	3,03,797	Transfer	4,53,31,820	1.76
				12/04/2019	-6,879	Transfer	4,53,24,941	1.76
				19/04/2019	-4,997	Transfer	4,53,19,944	1.76
				26/04/2019	7,575	Transfer	4,53,27,519	1.76
				26/04/2019	-6,262	Transfer	4,53,21,257	1.76
				03/05/2019	1,06,941	Transfer	4,54,28,198	1.77
				03/05/2019	-2,020	Transfer	4,54,26,178	1.77
				10/05/2019	23,613	Transfer	4,54,49,791	1.77
				17/05/2019	15,966	Transfer	4,54,65,757	1.77
				24/05/2019	2,27,071	Transfer	4,56,92,828	1.78
				24/05/2019	-4,133	Transfer	4,56,88,695	1.78
				31/05/2019	3,044	Transfer	4,56,91,739	1.75
				07/06/2019	3,142	Transfer	4,56,94,881	1.74
				07/06/2019	-6,75,000	Transfer	4,50,19,881	1.72
				14/06/2019	1,10,487	Transfer	4,51,30,368	1.72
				21/06/2019	5,01,054	Transfer	4,56,31,422	1.74
				21/06/2019	-1,299	Transfer	4,56,30,123	1.74
				28/06/2019	2,48,607	Transfer	4,58,78,730	1.75
				28/06/2019	-6,170	Transfer	4,58,72,560	1.75
				05/07/2019	27,918	Transfer	4,59,00,478	1.75
				12/07/2019	45,967	Transfer	4,59,46,445	1.75
				19/07/2019	6,64,478	Transfer	4,66,10,923	1.78
				26/07/2019	4,98,161	Transfer	4,71,09,084	1.80
				02/08/2019	3,75,905	Transfer	4,74,84,989	1.81
				09/08/2019	9,23,058	Transfer	4,84,08,047	1.85
				16/08/2019	3,50,030	Transfer	4,87,58,077	1.86
				23/08/2019	7,06,792	Transfer	4,94,64,869	1.89
				30/08/2019	1,81,991	Transfer	4,96,46,860	1.89
				06/09/2019	9,202	Transfer	4,96,56,062	1.90
				06/09/2019	-134	Transfer	4,96,55,928	1.90
				13/09/2019	8,882	Transfer	4,96,64,810	1.90
				20/09/2019	79,539	Transfer	4,97,44,349	1.90
				27/09/2019	52,517	Transfer	4,97,96,866	1.90
				27/09/2019	-2,05,703	Transfer	4,95,91,163	1.89
				30/09/2019	47,71,472	Transfer	5,43,62,635	1.93
				04/10/2019	3,032	Transfer	5,43,65,667	1.93
				04/10/2019	-226	Transfer	5,43,65,441	1.93
				11/10/2019	1,01,761	Transfer	5,44,67,202	1.93
				11/10/2019	-18,526	Transfer	5,44,48,676	1.93
				18/10/2019	3,46,907	Transfer	5,47,95,583	1.94
				25/10/2019	13,557	Transfer	5,48,09,140	1.94
				01/11/2019	2,68,774	Transfer	5,50,77,914	1.95
				01/11/2019	-3,30,000	Transfer	5,47,47,914	1.94
				08/11/2019	1,55,642	Transfer	5,49,03,556	1.95
				08/11/2019	-3,600	Transfer	5,48,99,956	1.95
				15/11/2019	908	Transfer	5,49,00,864	1.95
				15/11/2019	-27,077	Transfer	5,48,73,787	1.95
				22/11/2019	8,787	Transfer	5,48,82,574	1.95
				22/11/2019	-6,43,200	Transfer	5,42,39,374	1.92

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Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				29/11/2019	3,28,896	Transfer	5,45,68,270	1.94
				29/11/2019	-30,000	Transfer	5,45,38,270	1.93
				06/12/2019	89,358	Transfer	5,46,27,628	1.94
				06/12/2019	-5,530	Transfer	5,46,22,098	1.94
				13/12/2019	9,989	Transfer	5,46,32,087	1.94
				20/12/2019	21,438	Transfer	5,46,53,525	1.94
				20/12/2019	-3,002	Transfer	5,46,50,523	1.94
				27/12/2019	16,640	Transfer	5,46,67,163	1.94
				27/12/2019	-4,944	Transfer	5,46,62,219	1.94
				31/12/2019	8,993	Transfer	5,46,71,212	1.94
				03/01/2020	11,467	Transfer	5,46,82,679	1.94
				10/01/2020	16,65,787	Transfer	5,63,48,466	2.00
				10/01/2020	-25,200	Transfer	5,63,23,266	2.00
				17/01/2020	14,21,216	Transfer	5,77,44,482	2.05
				17/01/2020	-4,66,800	Transfer	5,72,77,682	2.03
				24/01/2020	2,64,360	Transfer	5,75,42,042	2.04
				24/01/2020	-10,800	Transfer	5,75,31,242	2.04
				31/01/2020	2,929	Transfer	5,75,34,171	2.04
				31/01/2020	-523	Transfer	5,75,33,648	2.04
				07/02/2020	1,28,271	Transfer	5,76,61,919	2.04
				14/02/2020	15,785	Transfer	5,76,77,704	2.04
				14/02/2020	-679	Transfer	5,76,77,025	2.04
				21/02/2020	11,157	Transfer	5,76,88,182	2.05
				28/02/2020	2,36,914	Transfer	5,79,25,096	2.05
				06/03/2020	2,41,148	Transfer	5,81,66,244	2.06
				13/03/2020	2,70,800	Transfer	5,84,37,044	2.07
				13/03/2020	-3,20,400	Transfer	5,81,16,644	2.06
				20/03/2020	10,51,008	Transfer	5,91,67,652	2.10
				20/03/2020	-5,00,000	Transfer	5,86,67,652	2.08
				27/03/2020	3,09,701	Transfer	5,89,77,353	2.09
				27/03/2020	-5,72,400	Transfer	5,84,04,953	2.07
				31/03/2020	5,97,919	Transfer	5,90,02,872	2.09
				31/03/2020	-8,100	Transfer	5,89,94,772	2.09
		5,89,94,772	2.09	31/03/2020			5,89,94,772	2.09
9	Dodge And Cox International Stock Fund	4,15,85,425	1.62	31/03/2019			4,15,85,425	1.62
				30/09/2019	1,60,00,000	Transfer	5,75,85,425	2.04
				31/03/2020	33,900	Transfer	5,76,19,325	2.04
		5,76,19,325	2.04	31/03/2020			5,76,19,325	2.04
10	BC Asia Investments III Limited - FDI	-	0.00	31/03/2019			-	0.00
				14/06/2019	4,00,00,000	Transfer	4,00,00,000	1.53
		4,00,00,000	1.42	31/03/2020			4,00,00,000	1.42

Note:

- 1) Top ten shareholders of the Bank as on March 31st 2020 have been considered, for the above disclosures.
- 2) Date of change is the date of the shareholding statement i.e. the date on which the weekly statements of beneficial ownerships are received from the Depositories.

v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Amitabh Chaudhry	-	-	31/03/2019	-	-	-	-
				31/03/2020	-	-	-	-
2	Rajiv Anand ¹	3,76,069	0.01	31/03/2019			3,76,069	0.01
				19/04/2019	35,000	Transfer	4,11,069	0.02
				24/05/2019	-35,000	Transfer	3,76,069	0.01
				07/02/2020	-35,000	Transfer	3,41,069	0.01
				06/03/2020	52,500	Transfer	3,93,569	0.01
				31/03/2020			3,93,569	0.01
3	Rajesh Kumar Dahiya ²	0	0.00	31/03/2019			-	0.00
				14/02/2020	60,000	Transfer	60,000	0.00
				06/03/2020	-28,000	Transfer	32,000	0.00
				20/03/2020	-5,605	Transfer	26,395	0.00
				31/03/2020			26,395	0.00
				26,395	0.00			
4	Pralay Mondal ³	-	-	01/08/2019	-		-	-
				31/03/2020	-		-	-
5	Puneet M Sharma ⁴	-	-	06/03/2020	-		-	-
				31/03/2020	-		-	-
6	Jairam Shridharan ⁵	2,19,041	0.01	31/03/2019			2,19,041	0.01
				03/05/2019	-54,800	Transfer	1,64,241	0.01
				07/02/2020	1,64,241	Transfer	3,28,482	0.01
				07/02/2020	-1,64,241	Transfer	1,64,241	0.01
				14/02/2020	3,79,759	Transfer	5,44,000	0.02
				28/02/2020	-35,195	Transfer	5,08,805	0.02
		5,08,805	0.02	06/03/2020	-	-	5,08,805	0.02
7	Girish V. Koliyote	0	0.00	31/03/2019			-	0.00
				14/06/2019	26,000	Transfer	26,000	0.00
				09/08/2019	-26,000	Transfer	-	0.00
				31/03/2020			-	0.00

Note:

- 1) Re-appointed as Executive Director (Wholesale Banking) of the Bank, for a period of 3 years w.e.f. 4th August 2019.
- 2) Re-appointed as Executive Director (Corporate Centre) of the Bank, for a period of 3 years w.e.f. 4th August 2019.
- 3) Appointed as Executive Director (Retail Banking) of the Bank, for a period of 3 years, w.e.f. 1st August 2019.
- 4) Appointed as the Chief Financial Officer and KMP of the Bank, w.e.f. 6th March 2020.
- 5) Resigned as the Chief Financial Officer and KMP of the Bank, w.e.f. 5th March 2020.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - 2019-2020			-	
i) Principal Amount	14,400	1,38,376	-	1,52,776
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4	3,356	-	3,359
Total (i+ii+iii)	14,404	1,41,732	-	1,56,135
Change in Indebtedness during the financial year				
Addition	2,48,996	1,89,529	-	4,38,525

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	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Reduction	-2,51,510	-1,97,102	-	-4,48,611
Rate Movement	17	5,247	-	5,265
Net Change	-2,496	-2,325	-	-4,822
Indebtedness at the end of the financial year				
i) Principal Amount	11,904	1,36,051	-	1,47,954
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15	2,333	-	2,348
Total (i+ii+iii)	11,919	1,38,384	-	1,50,302

Notes:

- Deposits accepted by the Bank are in normal course of banking business and an operating activity of the Bank and hence not included in the indebtedness disclosure.
- Principal amount represents outstanding balance of borrowings as reported in financial statements as of the beginning and end of the financial year.
- Additions also include the effect of exchange rate fluctuation and net change in interest accrued but not due between the beginning of financial year and the end of financial year.

VI. Remuneration Of Directors And Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager, for the financial year 2019-20

(in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Shri Amitabh Chaudhry	Shri Rajiv Anand	Shri Rajesh Dahiya	Shri Pralay Mondal ¹	
1.	Gross salary					
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	6,03,06,378	3,86,50,811	3,45,69,449	1,66,84,344	15,02,10,982
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2,04,233	30,98,384	30,95,531	17,08,590	81,06,738
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Options (No. of options)	3,50,000	3,50,000	3,00,000	3,50,000	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others	-	-	-	-	-
5.	Others	-	-	-	-	-
	Total (A)	6,05,10,611	4,17,49,195	3,76,64,980	1,83,92,934	15,83,17,720
	Ceiling as per the Act*	-	-	-	-	-

1) Appointed as Executive Director (Retail Banking) of the Bank, for a period of 3 years, w.e.f. 1st August 2019.

* In terms of the provision of Section 35B of the Banking Regulations Act, 1949, the provisions relating to Managerial Remuneration under the Companies Act, 2013 and the Rules made thereunder are not applicable to a Banking company.

B. Remuneration to other Directors for the financial year 2019-20

(in ₹)

Sr. No.	Particulars of Remuneration to Independent Directors	Rakesh Makhija	Dr. Sanjiv Misra ¹	Prasad R. Menon ²	Samir Barua ³	Som Mittal ⁴	Rohit Bhagat	Usha Sangwan ⁵	Total Amount
1	Fee for attending Board / Committee meetings	25,50,000	3,50,000	-	6,50,000	9,00,000	17,50,000	5,50,000	67,50,000
2	Commission for FY 2018-19	10,00,000	-	5,23,288	10,00,000	10,00,000	10,00,000	5,33,000	50,56,288
3	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	35,50,000	3,50,000	5,23,288	16,50,000	19,00,000	27,50,000	10,83,000	1,18,06,288

(in ₹)

Sr. No.	Particulars of Remuneration of Independent /Non-Executive Directors	S. Vishvanathan	Ketaki Bhagwati	B. Baburao	Stephen Pagliuca	Girish Paranjpe	Total Amount
1	Fee for attending Board / Committee meetings	27,00,000	25,50,000	30,00,000	12,00,000	19,50,000	1,14,00,000
2	Commission for FY 2018-19	10,00,000	10,00,000	10,00,000	10,00,000	4,10,959	44,10,959
3	Others, please specify	-	-	-	-	-	-
	Total (2)	37,00,000	35,50,000	40,00,000	22,00,000	23,60,959	1,58,10,959
	Total (B)=(1+2)						2,76,17,247
	Total Managerial Remuneration (A+B)						18,59,34,967

- 1) Dr. Sanjiv Misra ceased to be the Non-Executive (Part-Time) Chairman of the Bank, w.e.f. the close of business hours on 17th July 2019.
- 2) Shri Prasad R. Menon ceased to be an Independent Director of the Bank from the close of business hours on 8th October 2018 pursuant to the expiry of his tenure as an Independent Director in the Bank and therefore was entitled to commission, for the period from 1st April 2018 upto 8th October 2018 (both days inclusive).
- 3) Prof. Samir Barua ceased to be an Independent Director of the Bank, on expiry of his tenure, w.e.f. the close of business hours on 21st July 2019.
- 4) Shri Som Mittal ceased to be an Independent Director of the Bank, on expiry of his tenure, w.e.f. the close of business hours on 21st October 2019.
- 5) Smt. Usha Sangwan ceased to be a Nominee Director of the Bank, w.e.f. 12th December 2019.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD for the financial year 2019-20

(in ₹)

Sr. No.	Particulars of Remuneration	Puneet M. Sharma Chief Financial Officer ¹	Jairam Sridharan, Chief Financial Officer ²	Girish V. Koliyote, Company Secretary	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	12,78,042	2,04,84,925	94,15,014	3,11,77,981
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	39,71,021	10,29,011	50,00,032
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option (No. of options)	-	1,75,000	5,000	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others	-	-	-	-
	Total	12,78,042	2,44,55,946	1,04,44,025	3,61,78,013

- 1) Appointed as the Chief Financial Officer and KMP of the Bank, w.e.f. 6th March 2020.
- 2) Resigned as the Chief Financial Officer and KMP of the Bank, w.e.f. close of business hours on 5th March 2020.

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (Regional Director/National Company Law Tribunal/Court)	Appeal made
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Disclosure on Remuneration

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information relating to managerial remuneration, in terms of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are detailed as under:

- (i) The ratio of the remuneration of each Director of the Bank to the median remuneration of the employees of the Bank for the financial year 2019-20, are as under;

Name of the Executive Directors	Ratio of remuneration to median remuneration of all employees
Shri Amitabh Chaudhry, Managing Director and CEO	92.2
Shri Rajiv Anand, Executive Director (Wholesale Banking) re-appointed as Executive Director (Wholesale Banking) of the Bank, w.e.f. 4 th August 2019, on the same terms and conditions, including remuneration w.e.f. 1 st April 2019	45.7
Shri Rajesh Dahiya, Executive Director (Corporate Centre) re- appointed as Executive Director (Corporate Centre) of the Bank, w.e.f. 4 th August 2019), on the same terms and conditions, including remuneration w.e.f. 1 st April 2019	40.8
Shri Pralay Mondal (Appointed as Executive Director (Retail Banking) of the Bank, w.e.f. 1 st August 2019)	41.9

Note: All confirmed employees (excluding front line sales force), as on 31st March 2020 have been considered.

- (ii) The percentage increase in remuneration of Executive Directors, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, in the financial year 2019-20, are as under;

Name of the Director/Key Managerial Personnel	% increase in the remuneration in the financial year 2019-20
Executive Directors	
Shri Amitabh Chaudhry, Managing Director and CEO	7.5
Shri Rajiv Anand, Executive Director (Wholesale Banking)	12.5
Shri Rajesh Dahiya, Executive Director (Corporate Centre)	12.5
Shri Pralay Mondal (Appointed as Executive Director (Retail Banking) of the Bank, w.e.f. 1 st August 2019)	NA
Key Managerial Personnel	
Shri Puneet M Sharma (Appointed as Chief Financial Officer of the Bank, w.e.f. 6 th March 2020)	NA
Shri Jairam Sridharan, (Ceased to be Chief Financial Officer of the Bank, w.e.f. the close business hours of 5 th March 2020)	10.0
Shri Girish V. Koliyote, Company Secretary	6.0

- (iii) The percentage increase in the median remuneration of the said employees of the Bank during the financial year 2019-20, is as under:

Median remuneration of employees of the Bank increased by 8.93% in the financial year 2019-20, as compared to the financial year 2018-19.

- (iv) The number of permanent employees on the rolls of the Bank as on 31st March 2020 - The Bank had 74,140 permanent employees on its rolls, as on 31st March 2020.

- (v) Average percentile increase already made in the salaries of employees of the Bank other than its managerial personnel (viz. Whole Time Directors of the Bank) during the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average remuneration increase for non-managerial personnel of the Bank during the financial year 2019-20 was 8.9% and the average remuneration increase for the said managerial personnel of the Bank was around 9.8%.

Remuneration increase is dependent on the Bank's performance as a whole, individual performance level and also market benchmarks.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the Bank.

The Comprehensive Remuneration Policy of the Bank as approved by the Nomination and Remuneration Committee of the Board of Directors of the Bank is in line with Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc. dated 13th January 2012, issued by the Reserve Bank of India. We affirm that the remuneration paid to all employees for the financial year 2019-20, is in terms of the said Policy of the Bank.

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

Axis Bank Limited

Even as Axis Bank (the Bank) enters the new decade, it remains steadfastly committed to its ambition of playing a pivotal role in India's economy and society, contributing to the welfare of millions of its stakeholders and helping them achieve their aspirations. The Bank is deeply ingrained in the communities where it serves, and beyond, striving to create a positive, CSR-led impact that complements its business activities and delivers visible impact on ground.

The socio-economic and environmental transformations that the Bank's CSR activities intended to achieve, continue to leave deep footprints in the lives of the participants who have benefited, and we aspire to continue to impact their lives in the future.

The Bank's CSR philosophy aims to make meaningful and measurable impact in the lives of deprived and vulnerable communities across the country. The Bank's diverse CSR activities focuses on creating conditions that can nurture or scale up sustainable livelihoods for the said communities, in both, rural and urban India.

The Bank's CSR activities are guided by its Policy on Corporate Social Responsibility (the CSR Policy), which has been formulated and adopted by the Bank, in terms of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('the Act') read with Schedule VII to the Act, as amended, from time to time. The CSR Policy is hosted on the Bank's website at www.axisbank.com.

The CSR Policy is driven by the Bank's corporate vision and its aspiration to be the Bank of choice for its customers, shareholders, employees and the community. The CSR Policy outlines the governance structure, operating guidelines, monitoring mechanism, reporting framework and the CSR activities that may be undertaken, in line with the extant CSR norms. The CSR Policy is reviewed annually by the CSR Committee/ Board, and new focus areas, as deemed necessary, are deliberated and approved, in alignment with Schedule VII to the Act. During the year, the CSR Policy was reviewed and approved by the CSR Committee/ Board, to inter alia strengthen the governance mechanism and align it with the proposed CSR norms.

The Bank executes its CSR activities directly by leveraging its geographical presence across the country, through Axis Bank Foundation (ABF), through registered NGOs, or in association with any other trusts, agencies or entities as deemed appropriate. Wherever possible, the Bank tries to align its CSR activities with pertinent Government schemes, with an intention to create a multiplier effect in the true spirit of the extant CSR norms.

The CSR activities undertaken by the Bank focus primarily on poverty alleviation, promoting financial literacy and enabling financial inclusion, promoting environmental sustainability, supporting education, skill development, and sanitation and healthcare.

The Bank stands together with the Nation in its battle against the spread of COVID-19 Pandemic, and has committed to a multi-pronged response supporting its customers, employees, business partners, government agencies and the community at large. The Bank is directly supporting government entities towards meeting their equipment and sanitation requirements, and Axis Group has committed to contributing to the PM CARES Fund. Under Axis Cares, ABF is supporting nearly 35,000 individuals towards meeting their daily food requirements for a month. ABF is also working closely with its implementation partners towards augmenting on-ground activities, so as to address the COVID-19 Pandemic related challenges.

During the year, various parts of the country were ravaged by natural disasters such as cyclones and floods, causing immense loss to life and property. Under its Axis Sahaayata program, the Bank has directly supported disaster victims in the affected states. This includes providing relief kits to cyclone-affected individuals in the state of Odisha and to those affected by floods in parts of Assam, Bihar, Karnataka and Kerala. Through its efforts, the Bank was able to support close to 38,000 individuals and families.

During the year, the Bank and Bhopal Municipal Corporation (BMC) collaborated in a unique public private partnership towards improving solid waste management in the city of Bhopal. Bhopal, already among the strongest performers in Swachh Bharat Mission's annual national ratings, had sought to further strengthen its solid waste management practices by improving on-ground monitoring and supervision. Towards this, the Bank supported the BMC by equipping the Ward 'Darogas' in each of the city's 85 wards, with electric scooters. The electric scooters not only provided the BMC with zero-emission and low maintenance mobility, but also enhanced their ability to reach and monitor every nook and corner of the city in the shortest possible time.

"There is no tool for development more effective than the empowerment of women - Kofi Annan". Women empowerment has remained a key focus of the Bank's financial inclusion and financial literacy interventions. The Bank's direct interventions in this space are especially focused on women from marginalized sections of the society, both in rural and urban India. The interventions seek to nurture their entrepreneurial skills and make them financially literate to a reasonable level. The financial literacy modules that are used include introducing financial concepts such as personal savings and investments, responsible spending habits, importance of having health and life insurance, as well as the importance for adopting healthy life practices for a financially secure future. At such financial literacy sessions, the participants are educated, many for the first time, on pertinent Government Schemes that may potentially add to their financial and social security, such as the Pradhan Mantri Jan Dhan Yojana, Atal Pension Yojana, and various public crop, health and life insurance schemes.

The Bank had launched Project Akshar in 2017, as a tool to promote financial literacy in the digital age. Using an interactive and 'gamified' approach, Project Akshar aims to promote learning about personal financial responsibility, in a friendly and interesting manner. It adopts a multi-pronged approach to learning by using lessons, blogs, quizzes, case scenarios and interactive info-graphics. Its various learning modules include aspects such as improving credit awareness, as well as helping demystify the financial space for a common person, viz. financial terms and jargons that often remain misunderstood or ignored despite being an essential part of every financial contract. Since its launch in 2017, over 3 lakh users have benefitted from the said initiative, up to 31st March 2020. The said initiative has also helped create a ripple effect wherein its participants have in turn encouraged their families and friends to participate in the program. Project Akshar was awarded the 'CSR Project of the year in Banking & Finance' at the Brand CSR Awards 2019.

The MSME sector has an immense potential to contribute towards achieving the Government of India's vision for a US\$ 5 trillion economy. Recognizing the need to build deeper capacities within MSME sector participants, the Bank launched 'Evolve' as a knowledge sharing and capacity enhancement platform by bringing MSMEs together with experts, leaders and professionals. The theme for the 6th edition of Evolve, held during the year, was *"Gearing up for the 5 Trillion Dollar Economy"*, with the series covering 26 cities in India and touching close to 3,800 MSME sector participants.

Axis 'DilSe' is a flagship program that aspires to promote inclusive growth in India's remote borders through education towards catalyzing an enduring change. Under Axis DilSe, the Bank, through its implementation partner, initiated transformation of over 100 primary schools in remote villages in Leh and Kargil districts in the Union Territory of Ladakh, over a period of three years beginning 2017-18.

In the first year, playground equipment were set up in the said schools, and their libraries were refurbished to include age appropriate books in their local language. In addition, a central library called the "The Next Chapter" was established in the city of Leh where any student could come to read or subscribe to books, and participate in various non-curricular activities conducted by the said Library.

In the second year, 'DigiLabs', a digital learning intervention, was set up in each of the said schools. DigiLabs is an innovative solution that comprises of tablets and computer systems that are powered by solar power and come bundled with curated educational content for the benefit of the students.

In the third and final year, age-appropriate classroom furniture was installed and additional learning material was provided to the said schools. In addition, the program initiated the integration of Aanganwadi centers (Integrated Child Development Services (ICDS) centers) with the said schools, with an intent to further enhance the learning levels of the Aanganwadi children. In this final phase, training was also imparted to the school teachers, Aanganwadi workers and to the village community, towards effective collaboration and utilization of resources among all stakeholders. Additionally, block level training was also conducted for school headmasters and DigiLabs administrators towards effective utilization of DigiLabs.

The Axis DilSe Program has been lauded by the Ladakh Autonomous Hill Development Council, who believes that the said program could become a template for developing rest of the schools and Aanganwadi centers, in the Union Territory of Ladakh.

The Parliament of India passed the Rights of Persons with Disabilities (PwD) Act 2016 (the PwD Act), as a replacement to the PwD Act, 1995 and towards fulfilling its obligation to the UN Convention on the Rights of Persons with Disabilities, which India ratified in 2007. There remain a significant number of PwDs in India, as well as other stakeholders such as care givers and their families, that remain unaware of the provisions of the PwD Act and their rights and opportunities provided therein. Towards increasing stakeholders' sensitization on various provisions of the PwD Act, the Bank, through its implementation partner, continued its support in conducting training workshops, seminars and knowledge events on skilling and employment for PwDs, at various locations across the country.

The Bank recognizes the impact of its operations on the environment and is progressively investing in technology, as well as process and product innovations that can contribute to mitigating its environmental impact. The Bank's various environmental sustainability initiatives focus on clean energy generation and sourcing, energy efficiency and improving resource utilization. As on 31st March 2020, the Bank has over 5 MW of rooftop solar capacity at close to 250 locations with a 2 MW ground-mounted solar plant at Solapur, Maharashtra, which together help the Bank avoid a significant amount of carbon emissions in its operations.

Axis Bank Foundation:

Set up as a Public Charitable Trust in 2006, Axis Bank Foundation (ABF) is the CSR arm of the Bank, spearheading its CSR vision and mission with a focus on creating Sustainable Livelihoods primarily in rural India around the two themes of Rural Livelihoods and Skill Development. ABF successfully achieved its first mission of creating 1 million sustainable livelihoods in September 2017, a target it had taken in 2012, and has embarked on its next ambition of impacting 2 million households by 2025.

Keeping the community at the center, ABF co-creates locally feasible solutions with highly credible and experienced implementation partners, addressing socio-economic and ecological challenges that local communities face. Under the Rural Livelihoods theme, ABF's interventions are aimed at improving natural resource management of local ecosystems to create conditions leading to higher farm and agriculture-allied productivity. Through a sustained focus on watershed development, and the subsequent improvement in availability of water, green cover for foraging, and healthier soil quality, farming households are introduced to a basket of livelihood options that can enhance their financial security by supplementing incomes from multiple sources as well as reducing risk of income loss due to crop failures. Sustainable agricultural practices not only increase farm productivity with limited resources, but also build the communities' resilience to withstand weather shocks. The program also supports rural communities in improving livestock management as well as introducing livestock among certain communities as a new or additional income generating stream.

Along with the farm and natural resources-linked interventions, ABF supports the creation and expansion of rural micro-enterprises in opportune intervention regions. Organizing rural communities into people's institutions such as water user groups, producer organizations, self-help groups, federations, among others, maximizes community ownership as well as value chain participation in the planning, execution and overall governance of the various interventions.

So far, ABF's approach has focused on transformative change through knowledge sharing, capacity building, access to and adoption of improved livelihoods best practices, and their alignment with various government schemes and programs, which provide further opportunities to scale.

Under the skill development theme, ABF supports training of youth, including youth with disabilities, in both rural and peri-urban areas, with a focus on enhancing employability in organized and self-employment sectors. The interventions are primarily aimed at attaining an integrated workforce while ensuring steady income sources and uninterrupted employability for youth with varied levels of education and competencies through a mix of both vocational and soft skills training. Skilling interventions for youth with disabilities are aimed at creating an inclusive work space. Skilling centers run by ABF's implementation partners provide market-linked courses that also help participants with placements and post-placement support, including to participants who go on to become self-employed.

During 2019-20, ABF worked with 27 implementation partners on 33 projects in 331 blocks in 153 districts in 22 states, covering 2.48 lakh households (including trainees). As on 31st March 2020, ABF had reached 6.92 lakh households towards its Mission 2 Million target by 2025. ABF's footprint includes 30 of the 115 aspirational districts as identified by the NITI Aayog.

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An illustrative list of various programs and activities supported by ABF can be accessed at www.axisbankfoundation.org.

For more details on the Bank's CSR efforts, please refer to the 'Corporate Social Responsibility (CSR)' section under 'Management Discussion and Analysis' section of the Annual Report, and disclosures made in the Bank's Sustainability Report and in ABF's Annual Report, for the financial year 2019-20.

2. **The Composition of the CSR Committee:** The Committee comprises of Shri Rakesh Makhija, Independent Director (Chairman), Shri Rajesh Dahiya, Executive Director (Corporate Centre) and Shri Rajiv Anand, Executive Director (Wholesale Banking) of the Bank.
3. **Average net profit of the company for last three financial years:** ₹5,030.78 crores
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹100.62 crores
5. **Details of CSR spent during the financial year:**
 - (a) Total amount spent for the financial year (2019-20): ₹100.96 crores
 - (b) Amount unspent, if any: NIL
 - (c) Manner in which the amount spent during the financial year is detailed in **Annexure A**.
6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Bank has spent more than the mandated 2% of its average net profits for the last three financial years, amounting to ₹100.96 crores, earmarked for various CSR Projects, detailed as above.

7. **A responsibility statement of the CSR Committee:**

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities of the Bank are in compliance with the CSR Policy of the Bank, which has been formulated and adopted in terms of the Companies Act, 2013, the Companies (CSR Policy) Rules, 2014 read with Schedule VII to the Act, as amended, from time to time and the Guidelines issued by the Government, from time to time.

Rakesh Makhija
Chairman – CSR Committee

Rajesh Dahiya
Executive Director (Corporate Centre)

Place : Mumbai

Date : 29th April 2020

S. 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 were undertaken	Amount Outlay (Budget) Project or programs wise	Amount Spent on the Projects or programs Sub-heads:		Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
					(1) Direct Expenditure on Projects or Programs	(2) Overheads		
1.a.	Contribution to Axis Bank Foundation and its partner NGOs towards undertaking CSR activities as per the focus areas and programs areas listed in Axis Bank's Corporate Social Responsibility Policy. Details of the initiatives undertaken by Axis Bank Foundation are available at www.axisbankfoundation.org	Livelihood enhancement, vocational skills training, conservation of natural resources and rural development	1. Local area (148 districts) and Others (2 districts) 2. Andhra Pradesh (8 districts), Assam (3 districts), Bihar (5 districts), Chhattisgarh (9 districts), Delhi (3 districts), Gujarat (10 districts), Jharkhand (4 districts), Karnataka (3 districts), Kerala (7 districts), Madhya Pradesh (14 districts), Maharashtra (11 districts), Meghalaya (1 district), Odisha (9 districts), Puducherry UT (1 district), Punjab (2 districts), Rajasthan (15 districts), Sikkim (1 district), Tamil Nadu (11 districts), Telangana (5 districts), Uttar Pradesh (4 districts), Uttarakhand (7 districts), West Bengal (7 districts)	₹ 46.77 crores (For 2019-20)	Direct expenditure: ₹ 46.77 crores Overheads: Nil	₹ 497.82 crores (Contribution to the corpus of Axis Bank Foundation and its partner NGOs since 2006-07)	Through Axis Bank Foundation and its partner NGOs	
1.b.	Contribution to NGOs for conducting livelihood programs	Livelihood enhancement, vocational skills training, conservation of natural resources and rural development	1. Local area (197 districts) and Others (0 district) 2. Andhra Pradesh (7 districts), Assam (4 districts), Bihar (1 district), Dadra & Nagar UT (1 district), Daman & Diu UT (2 districts), Delhi (12 districts), Gujarat (30 districts), Haryana (4 districts), Karnataka (19 districts), Kerala (1 district), Madhya Pradesh (5 districts), Maharashtra (35 districts), Manipur (1 district), Punjab (9 districts), Rajasthan (28 districts), Tamil Nadu (14 districts), Telangana (8 districts), Tripura (1 district), Uttar Pradesh (2 districts), Uttarakhand (2 districts), West Bengal (11 districts)	₹ 20.80 crores (For 2019-20)	Direct expenditure: ₹ 21.27 crores Overheads: Nil	₹ 164.81 crores (Since 2017-18)	Through implementing agencies	
2	Environmental sustainability program: a. Reduction of GHG emissions through use of renewable energy b. Optimising energy efficiency c. Reduction of GHG emissions through use of e-bikes	Environmental Sustainability – Ecological Balance, Renewable Energy Projects		₹ 4.80 crores	Direct expenditure: ₹ 3.07 crores Overheads: Nil	₹ 89.87 crores (since 2014-15)	Direct and through implementing agencies	

S. 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 were undertaken	Amount Outlay (Budget) Project or programs wise	Amount Spent on the Projects or programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
3	Education and Skill development program: a. Promoting education and skills in remote schools b. Empowering Persons with Disabilities (PwDs)	Promoting Education & Skill Development	1. Local area (6 districts) and Others (0 districts) 2. Delhi (1 district), Jharkhand (1 district), Kerala (1 district), Ladakh (2 districts), Madhya Pradesh (1 district)	₹ 3.09 crores	Direct expenditure: ₹ 3.19 crores Overheads: Nil	₹ 26.52 crores (since 2015-16)	Through implementing agencies
4	Environmental Disaster & Relief: a. Disaster Relief Activities	Disaster Management, including relief, rehabilitation and reconstruction activities	1. Local area (27 districts) and Others (0 district) 2. Assam (6 districts), Bihar (5 districts), Karnataka (10 districts), Kerala (3 districts), Odisha (3 districts)	₹ 2.00 crores	Direct expenditure: ₹ 1.94 crores Overheads: Nil	₹ 2.25 crores (since 2018-19)	Direct
5	MSME Sector building program: Contribute to MSME sector capabilities enhancement through knowledge based skill development.	Promoting Education - Skill Development	1. Local area (26 districts) and Others (0 district) 2. Andhra Pradesh (1 district), Bihar (1 district), Chandigarh UT (1 district), Chhattisgarh (1 district), Delhi (1 district), Gujarat (4 districts), Karnataka (2 districts), Kerala (1 district), Madhya Pradesh (2 districts), Maharashtra (4 districts), Odisha (1 district), Rajasthan (1 district), Tamil Nadu (2 districts), Telangana (1 district), Uttar Pradesh (2 districts), West Bengal (1 district)	₹ 3.00 crores	Direct expenditure: ₹ 2.26 crores Overheads: Nil	₹ 13.84 crores (since 2014-15)	Direct

S. 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 were undertaken	Amount Outlay (Budget) Project or programs wise	Amount Spent on the Projects or programs Sub-heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing Agency
6	Financial Inclusion & Literacy program: a. Financial literacy initiatives to create awareness and educate various sections of society, especially those which do not have access to banking system, on personal financial management b. Program for digital financial literacy & awareness	Reducing inequalities faced by socially and economically backward groups, rural development; Education (Financial Literacy and Consumer Awareness)	1. Local area (382 districts) and Others (1 district) 2. Assam (22 districts), Bihar (39 district), Chhattisgarh (20 districts), Goa (2 districts), Gujarat (16 districts), Haryana (4 districts), Himachal Pradesh (1 district), Jharkhand (14 districts), Karnataka (29 districts), Kerala (16 districts), Madhya Pradesh (32 districts), Maharashtra (29 districts), Manipur (2 districts), Odisha (30 districts), Puducherry (2 districts), Punjab (7 districts), Rajasthan (25 districts), Sikkim (2 districts), Tamil Nadu (24 districts), Tripura (4 districts), Uttar Pradesh (39 districts), Uttarakhand (3 districts), West Bengal (21 districts)	₹ 21.42 crores	Direct expenditure: ₹ 20.13 crores Overheads: Nil	₹ 143.38 crores (since 2014-15)	Direct & through implementing agencies
7	Administrative expenses: Administrative and other expenses including salaries and training cost for the Bank's CSR personnel, training and capacity building of implementation partners and staff cost for CSR initiatives up to 5% of overall CSR Expenditure Total	Allowed under Rule 4, sub-rule 6 of CSR Rules 2014	Not Applicable	₹ 2.70 crores	Direct expenditure: Nil Overheads: ₹ 2.33 crores	₹ 13.29 crores (since 2014-15)	Direct
				₹ 104.58 crores	₹ 100.96 crores	₹ 951.78 crores	

*Give details of implementing agency: The details of partners of Axis Bank Foundation are available at <http://www.axisbankfoundation.org/partners/livelihood.html>.

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2020

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

To

The Members

Axis Bank Limited

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Bank Limited -CIN No. L65110GJ1993PLC020769** (hereinafter called the 'Bank') during the financial year from 1st April 2019 to 31st March 2020, ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conduct/statutory compliances and expressing our opinion thereon.

We are issuing this report based on :

- (i) Our **verification** of the books, papers, minute books, and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after 31st March 2020 but before the issue of this audit report,
- (ii) Our **observations** during our visits to the Corporate Office of the Company,
- (iii) **Compliance Certificates** confirming compliance with all laws applicable to the company given by Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by Audit Committee / Board of Directors, and
- (iv) **Representations** made, documents shown and information provided by the Company, its officers, agents, and authorised representatives during our conduct of Secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2020 the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism in place **to the extent, in the manner and subject to the reporting made hereinafter.**

The members are requested to read along with our letter of even date annexed to this report as Annexure - A.

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 and the Rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The Foreign Exchange Management Act, 1999 and the Rules/ Regulations made thereunder to the extent of overseas Direct Investment (FEMA);
 - (v) The following Regulations Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (h) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992; and
 - (i) The Securities and Exchange Board of India (Banker to Issue) Regulations, 1994.
 - (vi) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards).
 - (vii) The Banking Regulation Act, 1949, as specifically applicable to the Bank.
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2020 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :
- (i) Complied with the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii),(iii), (v) and (vii) of paragraph 1.1 above.
 - (ii) Complied with the applicable provisions/ clauses of :
 - (a) The Act and rules mentioned under paragraph 1.1 (i);
 - (b) FEMA to the extent of overseas Direct Investment mentioned under paragraph 1.1(iv),and
 - (c) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board meetings held during the year, the 25th Annual General Meeting held on 20th July 2019 (25th AGM) and the postal ballot process which concluded on 22nd August 2019 and 10th January 2020. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi)] with regard to the Board meetings and Committee meetings held through video conferencing during the audit period were verified based on the minutes of the meeting provided by the Company.

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1.3 We are informed that, during/ in respect of the year, the company was not required to initiate any compliance related action in respect of the following laws/ rules/ regulations/ standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on 31st March 2020 comprised of:

- (i) Four Executive Directors;
- (ii) Two Non-Executive Nominee Directors, namely Mr B. Babu Rao and Mr. Stephen Pagliuca; and
- (iii) Five Non-Executive Independent Directors, namely Mr Rakesh Makhija who is Non-Executive-Independent Chairman, Mr Rohit Bhagat, Mr S. Vishvanathan, Mr Girish Paranjpe, and Mrs Ketaki Bhagwati who is a woman Independent Director.

2.2 The processes relating to the following changes in the composition of the board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:

- (i) Re-appointment of Mrs Usha Sangwan (DIN 02609263) as Director retiring by rotation at 25th AGM who later on resigned from the Board of Directors of the Bank on 12th December 2019,
- (ii) Appointment of Mr. Rakesh Makhija (DIN 00117692) as Non-Executive (Part-time) Chairman of the Bank for a period of 3 years w.e.f 18th July 2019 up to 17th July 2022 at the 25th AGM
- (iii) Re-appointment of Mr Rajiv Anand (DIN 02541753) and Mr. Rajesh Dhahiya (DIN 07508488) as Executive Directors of the Bank for a period of 3 years w.e.f 4th August 2019 up to 3rd August 2022 and appointment of Mr Pralay Mondal as Executive Director (DIN 00117994) for a period of 3 years w.e.f 1st August 2019 to 31st July 2022.
- (iv) Re-appointment of Mr S. Vishvanathan (DIN 02255828) as an Independent director of the Bank for his second term of 3 years w.e.f 11th February 2020 to 10th February 2023 at Postal Ballot concluded on 10th January 2020.
- (v) Appointment of Mr. Puneet Sharma as Chief Financial Officer and Key Managerial Personnel of the Bank w.e.f. 6th March 2020, pursuant to resignation of Mr. Jairam Sridharan.

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings, except for one meeting which was convened at a shorter notice to transact urgent business.

2.4 Notice of Board meetings and Committee meetings was sent to all directors at least seven days in advance for all the meetings held during the audit period.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the board meetings, other than those which included price sensitive information.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We note from the minutes verified that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events/ actions

4.1 During the year, the following specific events/ actions having a major bearing on the company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards :

- (i) Approval of members was accorded by way of a special resolution passed in the 25th AGM for borrowing/ raising of funds denominated in Indian rupees or any other permitted foreign currency , by issue of debt securities including but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments and Tier II Capital Bonds or such other debt market security permitted by RBI, from time to time, on a private placement basis and or making offers/invitations thereof in one or more tranches within a period of one year of passing of the resolution upto a limit of ₹ 35,000 crores, in domestic and/ or overseas market within the overall outstanding borrowing limits of the Bank.
- (ii) Approval of members was accorded by way of special resolution passed through postal ballot on 21st August 2019 for raising 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 including through Qualified Institutional Placements/ American Depository Receipts/ Global Depository Receipts/ preferential allotment or such other permissible mode/or combination thereof, in one or more tranches for an aggregate amount not exceeding ₹ 18,000 crores.
- (iii) The Committee of Whole-Time Directors at its meeting held on 26th September 2019 approved allotment 19,87,28,139 equity shares at a price of ₹629/- per equity share, pursuant to Qualified Institutional Placement in accordance with Chapter VI of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Section 42 of the Companies Act, 2013 and rules made thereunder.
- (iv) Approval of members was accorded by way of a special resolution passed through postal ballot on 9th January 2020 for re-appointment (Second Term) of Mr. S. Vishvanathan (DIN 02255828) as Non-Executive Independent Director of the Company from 11th February 2020 to 10th February 2023.
- (v) The Committee of Whole-Time Directors on 30th January 2020 approved allotment of 41,750 Senior Unsecured Redeemable Non-Convertible Debentures of face value of ₹10 lakh each aggregating to ₹4,175 crores at coupon rate of 7.65% p.a on a private placement basis.
- (vi) During the audit period, the Bank has allotted equity shares under ESOS, as follows:
 - (a) During the Quarter 1 i.e. from April 1, 2019 to June 30, 2019 an aggregate 25,17,255 equity shares of ₹2 each were allotted.
 - (b) During the Quarter 2 i.e. from July 1, 2019 to September 30, 2019 an aggregate of 9,07,983 equity shares of ₹ 2/- each were allotted.
 - (c) During the Quarter 3 i.e. from October 1, 2019 to December 31, 2019 an aggregate of 5,97,330 equity shares of ₹2/- each were allotted.

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- (d) During the Quarter 4 i.e. from January 1, 2020 to March 31, 2020 an aggregate of 19,24,971 equity shares of ₹2/- each were allotted.

For BNP & Associate

Company Secretaries

Firm Registration. No. P2014MH037400

PR. No: 637/2019

B. Narasimhan

Partner

FCS No: 1303 / C P No: 10440

UDIN: F001303B000185652

Date : 29.04.2020

Place : Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure A

To

The Members

Axis Bank Limited

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

Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the company after 31st March 2020 but before the issue of this report.
4. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our 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 Company.

For BNP & Associate

Company Secretaries
Firm Registration. No. P2014MH037400
PR. No: 637/2019

B. Narasimhan

Partner

FCS No: 1303 / C P No: 10440
UDIN: F001303B000185652

Date : 29.04.2020
Place : Mumbai

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 its Registered Office at Trishul, 3rd Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380 006, Gujarat (hereinafter referred to as '**the Company**'), produced before us by the Company 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 of Ministry of Corporate Affairs (MCA) i.e., www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for Financial Year ending on March 31, 2020, have been debarred or disqualified from being appointed or continuing as Directors of Companies by 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 Company(*)
1.	Mr. Rakesh Makhija	00117692	27.10.2015
2.	Mr. Pralay Mondal	00117994	01.08.2019
3.	Mr. Baburao Busi	00425793	19.01.2016
4.	Mr. Amitabh Chaudhry	00531120	01.01.2019
5.	Mr. Girish Paranjpe	02172725	02.11.2018
6.	Mr. Srinivas Vishvanathan	02255828	11.02.2015
7.	Mr. Rajiv Anand	02541753	12.05.2016
8.	Mr. Rohit Bhagat	02968574	16.01.2013
9.	Ms. Ketaki Bhagwati	07367868	19.01.2016
10.	Mr. Rajeshkumar Dahiya	07508488	12.05.2016
11.	Mr. Stephen Pagliuca	07995547	19.12.2017

Note: (*) The date of appointment is as per the date reflected in MCA records.

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. 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 Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For BNP & Associate
Company Secretaries
Firm Registration. No. P2014MH037400
PR. No: 637/2019

B. Narasimhan
Partner

Date : 29.04.2020

Place : Mumbai

FCS No: 1303 / C P No: 10440

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Independent Auditor's Report

To the Members of Axis Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Axis Bank Limited** ("the Bank"), which comprise the Standalone Balance Sheet as at March 31, 2020, the Standalone Profit and Loss Account and the Standalone Cash Flow Statement for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No. Key audit matters	How our audit addressed the key audit matter
<p>1. Information Technology (IT) Controls Framework The Bank has a complex IT architecture to support its day to day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect the financial accounting and reporting process of the Bank.</p>	<p>IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business centric.</p> <p>As part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification, Authentication Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.</p> <p>We gathered a comprehensive understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>In ITGC testing we reviewed, on sample basis, control areas such as User Management, Change Management, Systems Security, Incident Management, Physical & Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</p>

Sr. No. Key audit matters	How our audit addressed the key audit matter
<p>The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).</p> <p>We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.</p> <p>We tested the control environment using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples of instances for our tests.</p> <p>Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.</p>
<p>2. Classification, Provisioning and Write off of Advances (Refer note 5.2 of schedule 17 and note 1.2, 2.1.1 and 2.1.5 of schedule 18 to the standalone financial statements)</p> <p>The Bank's portfolio of advances to customers amounts to ₹ 571,424.16 crores as at March 31, 2020 comprising of wholesale banking and Retail banking customer.</p> <p>As required under Income Recognition, Asset Classification and provisioning norms (IRAC norms), guidelines on COVID 19 related Regulatory Package dated March 27, 2020 and April 17, 2020 issued by the Reserve Bank of India (the "RBI") ('Regulatory Package') and other circulars, notifications and directives issued by the RBI, the Bank classifies advances into performing and non-performing advances which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.</p> <p>The Bank, as per its governing framework, identifies standard advances which require higher provision based on its evaluation of risk and internal ratings. The Bank also makes provisions against identified categories of non-fund based facilities, basis the internal assessment and evaluation. The Bank identifies sectors wherein the Bank perceives stress and makes higher provisions. The Bank also identifies accounts which are to be technically written off based on the framework approved by the Bank's Board of Directors.</p> <p>The classification, provisioning and write off of advances is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across a wide range of borrowers, products, industries and geographies and there is a high degree of complexity, uncertainty and judgement involved in recoverability of advances, estimation of provisions thereon and identification of accounts to be written off.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <p>Provisions for Corporate advances against specific individual loans (Wholesale banking customer)</p> <ol style="list-style-type: none"> Tested the key controls over borrower risk grading for wholesale loans (larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing advances. <ul style="list-style-type: none"> Tested on sample basis, the approval of new lending facilities against the Bank's credit policies, the performance of annual loan assessments, and controls over the monitoring of credit quality. Assessed the process for classification by the Management including identification of non-performing assets. Tested loans on sample basis to form our own assessment as to whether impairment events had occurred and to assess whether impairments had been identified in a timely manner. For the selected non-performing loans, assessed Management's forecast and inputs of recoverable cash flows, comments of auditor on the financial statements, valuation of underlying security and collaterals, estimates of recoverable amounts on default and other sources of repayment. Holding specific discussions with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which need to be considered as NPA. <p>This included testing controls over the identification of exposures showing signs of stress, either due to internal factors specific to the borrower or external macroeconomic factors, and testing the timeliness of and the accuracy of risk assessments and risk grading against the requirements of the Bank's lending policies and RBI IRAC norms.</p> <ol style="list-style-type: none"> Performed credit assessments of a sample of corporate loans managed by a specialized group assessed as high risk or impaired, focusing on larger exposures assessed by the Bank as showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We reviewed the Bank's risk grading of the loan, their assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability.

Sr. No. Key audit matters	How our audit addressed the key audit matter
<p>The same resulted in significant audit efforts to address the risks around loan recoverability and the determination of related provisions and write off.</p>	<p><i>Provisions for Retail advances against specific individual loans (Retail banking customer)</i></p> <ol style="list-style-type: none"> a. For retail loans (smaller customer exposures not monitored individually), tested controls over the systems which record lending arrears, delinquency buckets based on the number of days loans are overdue, and calculate individual provisions. b. Tested automated calculation and change Management controls and evaluated the Bank's oversight of the portfolios, with a focus on controls over delinquency statistics monitoring. c. Tested on sample basis the level of provisions held against different loan products based on the delinquency profile and assumptions made in respect of expected recoveries, primarily from collateral held. We also carried out extensive data analytics procedures to identify exceptions and outliers. <p><i>Provisions estimated across loan portfolios (collective provision)</i></p> <ol style="list-style-type: none"> 1. Tested the Bank's processes for making collective provision; 2. Reviewed the Policy for higher provision for weak standard advances and stressed sectors adopted by the Bank; 3. Reviewed the Policy for provision on non-fund facilities adopted by the Bank; 4. Validated the parameters used to calculate collective provisions with reference to IRAC norms, internal policy on higher provisions on weak standard advances, provisions on non-fund facilities; 5. Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision; 6. Re-performed, for a sample of retail and wholesale portfolios, the calculation of collective provisions, to determine the accuracy of the same; 7. Reviewed the Bank's process for granting moratorium to borrowers as per the Regulatory Package announced by RBI. We tested the completeness and accuracy of data used for computing general provision in line with Regulatory package issued by RBI. With respect to additional provision made by the Bank on account of the impact of Covid-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Bank. <p><i>Technical write off across loan portfolios</i></p> <p>The Bank has adopted a framework for technical write off. We reviewed the framework and understood the process for identification of loan portfolios to be technically written off. We tested on sample basis, the accounts identified during the year to be written off for compliance with the aforesaid framework.</p> <p><i>Disclosure</i></p> <p>We assessed the appropriateness and adequacy of disclosures against the relevant RBI requirements relating to NPAs including the additional disclosures required to be made in accordance with the Regulatory Package.</p>

Emphasis of Matter

We draw attention to Note 1.2 of Schedule 18 to the standalone financial statements which explains that the extent to which COVID-19 pandemic will impact the financial statements, is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis forming part of the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures). The other information is expected to be made available to us after the date of this report.

Our opinion on the standalone financial statements does not cover the other information and the Basel III disclosures and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Financial Statements

Standalone Financial Statements

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made in the standalone financial statements by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) The standalone Balance Sheet and the Standalone Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act read with relevant rules issued thereunder.
- (2) As required under Section 143 (3) of the Act and Section 30 (3) of the Banking Regulation Act, 1949, we report that:
 - a. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b. In our opinion, the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - c. The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 129 branches for the purpose of our audit;
 - d. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

- e. The standalone Balance Sheet, the standalone Profit and Loss Account and the standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
- f. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- g. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure";
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, requirements prescribed under Section 197 of the Act is not applicable by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Schedule 12 read with note 2.2.16 of Schedule 18 - Contingent Liabilities to the standalone financial statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer schedule 5 read with note 2.2.16 of Schedule 18 to the standalone financial statements in respect of such items as it relates to the Bank; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN No. 20118970AAAABJ7471

Place : Mumbai

Date : April 28, 2020

Annexure to the Independent Auditor's Report

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Axis Bank Limited on the Standalone financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Axis Bank Limited ("the Bank") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of the management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN No. 20118970AAAABJ7471

Place : Mumbai

Date : April 28, 2020

Financial Statements

Standalone Financial Statements

Balance Sheet

As at 31 March, 2020

		(₹ in Thousands)	
	Schedule No.	As at 31-03-2020	As at 31-03-2019
Capital and Liabilities			
Capital	1	5,643,356	5,143,290
Reserves & Surplus	2	843,835,072	661,619,666
Deposits	3	6,401,049,373	5,484,713,409
Borrowings	4	1,479,541,330	1,527,757,792
Other Liabilities and Provisions	5	421,579,030	330,731,159
Total		9,151,648,161	8,009,965,316
Assets			
Cash and Balances with Reserve Bank of India	6	849,592,391	350,990,339
Balances with Banks and Money at Call and Short Notice	7	123,090,412	321,056,014
Investments	8	1,567,343,203	1,749,692,759
Advances	9	5,714,241,564	4,947,979,721
Fixed Assets	10	43,128,970	40,366,358
Other Assets	11	854,251,621	599,880,125
Total		9,151,648,161	8,009,965,316
Contingent Liabilities	12	9,229,687,554	7,557,652,685
Bills for Collection		478,427,586	519,728,573
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For Haribhakti & Co. LLP

Chartered Accountants
Firm Registration No.: 103523W/W100048

Purushottam Nyati

Partner
Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

Profit & Loss Account

For the year ended 31 March, 2020

	Schedule No.	Year ended 31-03-2020	Year ended 31-03-2019
(₹ in Thousands)			
I Income			
Interest earned	13	626,351,574	549,857,707
Other income	14	155,365,607	131,303,394
Total		781,717,181	681,161,101
II Expenditure			
Interest expended	15	374,289,538	332,775,970
Operating expenses	16	173,046,243	158,334,077
Provisions and contingencies	18 (2.1.1)	218,109,246	143,284,971
Total		765,445,027	634,395,018
III Net Profit for the year (I - II)		16,272,154	46,766,083
Balance in Profit & Loss Account brought forward from previous year		243,229,953	230,430,518
IV Amount Available for Appropriation		259,502,107	277,196,601
V Appropriations:			
Transfer to Statutory Reserve		4,068,038	11,691,521
Transfer to/(from) Investment Reserve		-	(1,034,894)
Transfer to Capital Reserve	18 (2.2.1)	3,405,245	1,250,935
Transfer to Reserve Fund	18 (2.2.3)	8,502	6,280
Transfer to Investment Fluctuation Reserve	18 (2.2.2)	3,280,000	6,000,000
Dividend paid (includes tax on dividend)	18 (2.2.6)	2,888,581	-
Balance in Profit & Loss Account carried forward		245,851,741	259,282,759
Total		259,502,107	277,196,601
VI Earnings per Equity Share	18 (2.2.4)		
(Face value ₹2/- per share)			
Basic (in ₹)		5.99	18.20
Diluted (in ₹)		5.97	18.09
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Haribhakti & Co. LLP

Chartered Accountants
Firm Registration No.: 103523W/W100048

Purushottam Nyati

Partner
Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

Cash Flow Statement

For the year ended 31 March, 2020

	(₹ in Thousands)	
	Year ended 31-03-2020	Year ended 31-03-2019
Cash flow from operating activities		
Net profit before taxes	49,042,266	69,740,881
Adjustments for:		
Depreciation on fixed assets	7,729,508	7,097,249
Depreciation on investments	1,359,912	3,000,160
Amortisation of premium on Held to Maturity investments	3,538,847	3,207,410
Provision for Non Performing Assets (including bad debts)	127,555,268	102,214,828
Provision on standard assets	14,513,249	8,097,890
Provision on unhedged foreign currency exposure	(106,800)	187,900
Profit/(loss) on sale of land, buildings and other assets (net)	44,813	229,014
Provision for country risk	121,721	-
Provision for restructured assets/strategic debt restructuring/sustainable structuring	(154,980)	(196,572)
Provision for other contingencies	42,050,763	7,005,966
Dividend from Subsidiaries	(2,402,561)	(1,311,000)
	243,292,006	199,273,726
Adjustments for:		
(Increase)/Decrease in investments	242,642,832	(40,070,291)
(Increase)/Decrease in advances	(869,492,216)	(649,869,997)
Increase /(Decrease) in deposits	916,335,964	948,486,186
(Increase)/Decrease in other assets	(257,994,454)	(106,579,694)
Increase/(Decrease) in other liabilities & provisions	49,702,444	52,991,110
Direct taxes paid	(28,353,805)	(28,561,806)
Net cash flow from operating activities	296,132,771	375,669,234
Cash flow from investing activities		
Purchase of fixed assets	(10,719,744)	(8,316,648)
(Increase)/Decrease in Held to Maturity investments	(89,455,847)	(178,957,069)
Increase in Investment in Subsidiaries	(67,000)	(1,934,115)
Proceeds from sale of fixed assets	169,658	531,616
Dividend from Subsidiaries	2,402,561	1,311,000
Net cash used in investing activities	(97,670,372)	(187,365,216)

(₹ in Thousands)

	Year ended 31-03-2020	Year ended 31-03-2019
Cash flow from financing activities		
Proceeds/(Repayment) from issue of subordinated debt, perpetual debt & upper Tier II instruments (net)	(20,000,000)	(17,000,000)
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments) (net)	(28,216,462)	64,596,346
Proceeds from issue of share capital	500,066	10,212
Proceeds from share premium (net of share issue expenses)	151,784,664	1,706,853
Payment of dividend (including dividend distribution tax)	(2,888,581)	-
Net cash generated from financing activities	101,179,687	49,313,411
Effect of exchange fluctuation translation reserve	994,364	(119,982)
Net increase in cash and cash equivalents	300,636,450	237,497,447
Cash and cash equivalents at the beginning of the year	672,046,353	434,548,906
Cash and cash equivalents at the end of the year	972,682,803	672,046,353
Notes to the Cash Flow Statement:		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	849,592,391	350,990,339
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	123,090,412	321,056,014
Cash and cash equivalents at the end of the year	972,682,803	672,046,353
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹95.61 crores (previous year ₹137.02 crores)		

In terms of our report attached.

For Axis Bank Ltd.

For Haribhakti & Co. LLP

Chartered Accountants
Firm Registration No.: 103523W/W100048

Rakesh Makhija
Chairman

Purushottam Nyati

Partner
Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

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Schedules forming part of the Balance Sheet

As at 31 March, 2020

Schedule 1 - Capital

	(₹ in Thousands)	
	As at 31-03-2020	As at 31-03-2019
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
Issued, Subscribed and Paid-up capital		
2,821,677,934 (Previous year - 2,571,644,871) Equity Shares of ₹2/- each fully paid-up	5,643,356	5,143,290

Schedule 2 - Reserves and Surplus

	(₹ in Thousands)	
	As at 31-03-2020	As at 31-03-2019
I. Statutory Reserve		
Opening Balance	127,451,247	115,759,726
Additions during the year	4,068,038	11,691,521
	131,519,285	127,451,247
II. Share Premium Account		
Opening Balance	259,597,373	257,890,520
Additions during the year	152,488,174	1,706,853
Less: Share issue expenses	(703,510)	-
	411,382,037	259,597,373
III. Investment Reserve Account		
Opening Balance	-	1,034,894
Additions during the year	-	-
Deductions during the year	-	(1,034,894)
	-	-
IV. General Reserve		
Opening Balance	3,543,100	3,543,100
Additions during the year	-	-
	3,543,100	3,543,100
V. Capital Reserve		
Opening Balance	20,923,889	19,672,954
Additions during the year [Refer Schedule 18 (2.2.1)]	3,405,245	1,250,935
	24,329,134	20,923,889
VI. Foreign Currency Translation Reserve [Refer Schedule 17 (5.6)]		
Opening Balance	792,850	912,832
Additions during the year	994,363	-
Deductions during the year	-	(119,982)
	1,787,213	792,850
VII. Reserve Fund		
Opening Balance	81,254	74,974
Additions during the year [Refer Schedule 18 (2.2.3)]	8,502	6,280
	89,756	81,254
VIII. Investment Fluctuation Reserve		
Opening Balance	6,000,000	-
Additions during the year [Refer Schedule 18 (2.2.2)]	3,280,000	6,000,000
	9,280,000	6,000,000
IX. Balance in Profit & Loss Account brought forward	245,851,741	259,282,759
Adjustments during the year*	16,052,806	(16,052,806)
Balance in Profit & Loss Account	261,904,547	243,229,953
Total	843,835,072	661,619,666

*During the previous year ended 31 March, 2019, the Bank had made a provision amounting to ₹1,605.28 crores towards Land held as non-banking asset through the reserves and surplus, as permitted by RBI. During the year ended 31 March, 2020, the said provision has been recognised as part of provisions & contingencies in the profit and loss account with consequential reversal in the reserves and surplus, as advised by RBI. [Refer Schedule 18 (2.1.43)]

Schedule 3 - Deposits

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
A. I. Demand Deposits		
(i) From banks	38,888,253	47,219,608
(ii) From others	862,256,063	845,433,682
II. Savings Bank Deposits	1,735,916,234	1,541,288,064
III. Term Deposits		
(i) From banks	343,218,323	232,371,412
(ii) From others	3,420,770,500	2,818,400,643
Total	6,401,049,373	5,484,713,409
B. I. Deposits of branches in India	6,357,696,472	5,466,197,810
II. Deposits of branches outside India	43,352,901	18,515,599
Total	6,401,049,373	5,484,713,409

Schedule 4 - Borrowings

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Borrowings in India		
(i) Reserve Bank of India	116,190,000	144,000,000
(ii) Other banks #	650,000	2,785,000
(iii) Other institutions & agencies **	808,092,100	683,583,472
II. Borrowings outside India	554,609,230	697,389,320
Total	1,479,541,330	1,527,757,792
Secured borrowings included in I & II above	119,035,398	144,000,000

Borrowings from other banks include Subordinated Debt of ₹15.00 crores (previous year ₹35.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of Nil (previous year ₹50.00 crores) [Also refer Note 18 (2.1.2)]

** Borrowings from other institutions & agencies include Subordinated Debt of ₹17,490.00 crores (previous year ₹19,470.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹7,000.00 crores (previous year ₹6,950.00 crores) [Also refer Note 18 (2.1.2)]

Schedule 5 - Other Liabilities and Provisions

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Bills payable	36,897,894	37,854,366
II. Inter-office adjustments (net)	-	-
III. Interest accrued	31,008,096	45,522,438
IV. Proposed dividend (includes tax on dividend) [Refer Schedule 17 (5.20) and Schedule 18 (2.2.6)]	-	-
V. Contingent provision against standard assets [Refer Schedule 18 (2.1.8)]	45,197,371	30,404,383
VI. Others (including provisions)	308,475,669	216,949,972
Total	421,579,030	330,731,159

Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Cash in hand (including foreign currency notes)	79,878,972	42,132,147
II. Balances with Reserve Bank of India		
(i) in Current Account	209,713,419	263,858,192
(ii) in Other Accounts	560,000,000	45,000,000
Total	849,592,391	350,990,339

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Schedule 7 - Balances with Banks and Money at Call and Short Notice

	(₹ in Thousands)	
	As at 31-03-2020	As at 31-03-2019
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	605,423	2,419,842
(b) in Other Deposit Accounts	25,668,577	31,712,577
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	-	191,610,699
Total	26,274,000	225,743,118
II. Outside India		
(i) in Current Accounts	42,990,128	42,478,364
(ii) in Other Deposit Accounts	725,119	5,177,257
(iii) Money at Call & Short Notice	53,101,165	47,657,275
Total	96,816,412	95,312,896
Grand Total (I+II)	123,090,412	321,056,014

Schedule 8 - Investments

	(₹ in Thousands)	
	As at 31-03-2020	As at 31-03-2019
I. Investments in India in -		
(i) Government Securities ^{##}	1,219,180,739	1,168,229,051
(ii) Other approved securities	-	-
(iii) Shares	11,552,354	9,594,584
(iv) Debentures and Bonds	205,529,143	392,845,209
(v) Investment in Subsidiaries/Joint Ventures	18,094,821	18,027,821
(vi) Others (Mutual Fund units, CD/CP, PTC etc.)	59,704,124	112,641,005
Total Investments in India	1,514,061,181	1,701,337,670
II. Investments outside India in -		
(i) Government Securities (including local authorities)	40,634,795	34,164,807
(ii) Subsidiaries and/or joint ventures abroad	4,833,428	4,833,428
(iii) Others (Equity Shares and Bonds)	7,813,799	9,356,854
Total Investments outside India	53,282,022	48,355,089
Grand Total (I+II)	1,567,343,203	1,749,692,759

^{##} Includes securities costing ₹34,501.78 crores (previous year ₹29,283.94 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

	(₹ in Thousands)	
	As at 31-03-2020	As at 31-03-2019
A. (i) Bills purchased and discounted	145,282,883	155,366,966
(ii) Cash credits, overdrafts and loans repayable on demand	1,578,453,784	1,503,567,259
(iii) Term loans [#]	3,990,504,897	3,289,045,496
Total	5,714,241,564	4,947,979,721
B. (i) Secured by tangible assets [§]	4,127,706,073	3,535,163,307
(ii) Covered by Bank/Government Guarantees ^{&&}	17,284,147	33,887,710
(iii) Unsecured	1,569,251,344	1,378,928,704
Total	5,714,241,564	4,947,979,721

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
C. I. Advances in India		
(i) Priority Sector	1,438,593,307	1,188,930,411
(ii) Public Sector	134,270,813	65,894,406
(iii) Banks	21,809,078	43,110,224
(iv) Others	3,673,182,725	3,268,892,314
Total	5,267,855,923	4,566,827,355
II. Advances Outside India		
(i) Due from banks	25,828,342	20,815,655
(ii) Due from others -		
(a) Bills purchased and discounted	28,288,691	23,843,213
(b) Syndicated loans	26,001,299	47,840,704
(c) Others	366,267,309	288,652,794
Total	446,385,641	381,152,366
Grand Total (CI+CII)	5,714,241,564	4,947,979,721

Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹1,500.00 crores (previous year ₹2,750.00 crores), includes lending under IBPC ₹2,900.10 crores (previous year ₹3,529.50 crores)

§ Includes advances against book debts

§§ Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Premises		
Gross Block		
At cost at the beginning of the year	17,917,015	18,330,983
Additions during the year	460,004	169,308
Deductions during the year	-	(583,276)
Total	18,377,019	17,917,015
Depreciation		
As at the beginning of the year	1,640,399	1,470,027
Charge for the year	276,438	292,302
Deductions during the year	-	(121,930)
Depreciation to date	1,916,837	1,640,399
Net Block	16,460,182	16,276,616
II. Other fixed assets (including furniture & fixtures)		
Gross Block		
At cost at the beginning of the year	60,352,942	52,204,387
Additions during the year*	8,243,588	8,999,163
Deductions during the year	(972,208)	(850,608)
Total	67,624,322	60,352,942
Depreciation		
As at the beginning of the year	38,990,122	32,809,459
Charge for the year	7,453,067	6,804,946
Deductions during the year	(744,585)	(624,283)
Depreciation to date	45,698,604	38,990,122
Net Block	21,925,718	21,362,820
III. CAPITAL WORK-IN-PROGRESS (including capital advances)	4,743,070	2,726,922
Grand Total (I+II+III)	43,128,970	40,366,358

* includes movement on account of exchange rate fluctuation

Financial Statements

Standalone Financial Statements

Schedule 11 - Other Assets

	(₹ in Thousands)	
	As at 31-03-2020	As at 31-03-2019
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	71,528,813	70,941,386
III. Tax paid in advance/tax deducted at source (net of provisions)	15,353,273	15,911,960
IV. Stationery and stamps	1,056	3,057
V. Non banking assets acquired in satisfaction of claims [§]	-	87,276
VI. Others ^{#@}	767,368,479	512,936,446
Total	854,251,621	599,880,125

Includes deferred tax assets of ₹7,254.97 crores (previous year ₹7,640.73 crores) [Refer Schedule 18 (2.2.11)]

@ Includes Priority Sector Shortfall Deposits of ₹46,462.92 crores (previous year ₹28,161.77 crores)

§ Represents balance net of provision of ₹2,068.24 crores on Land held as non-banking asset. (previous year represents balance net of provision of ₹2,208.61 crores on Land held as non-banking asset and provision of ₹2.09 crores on other non banking assets)

Schedule 12 - Contingent Liabilities

	(₹ in Thousands)	
	As at 31-03-2020	As at 31-03-2019
I. Claims against the Bank not acknowledged as debts	17,338,059	6,235,275
II. Liability for partly paid investments	1,387,700	18,000
III. Liability on account of outstanding forward exchange and derivative contracts:		
a) Forward Contracts	4,559,787,377	3,296,537,608
b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	3,015,972,169	2,375,871,342
c) Foreign Currency Options	451,140,999	464,047,739
Total (a+b+c)	8,026,900,545	6,136,456,689
IV. Guarantees given on behalf of constituents		
In India	664,796,899	680,528,970
Outside India	74,340,067	75,358,146
V. Acceptances, endorsements and other obligations	251,649,846	324,394,652
VI. Other items for which the Bank is contingently liable	193,274,438	334,660,953
Grand Total (I+II+III+IV+V+VI) [Refer Schedule 18 (2.2.16)]	9,229,687,554	7,557,652,685

Schedules forming part of the Profit & Loss Account

For the year ended 31 March, 2020

Schedule 13 - Interest Earned

	(₹ in Thousands)	
	Year ended 31-03-2020	Year ended 31-03-2019
I. Interest/discount on advances/bills	483,029,726	413,220,214
II. Income on investments	112,460,254	113,490,713
III. Interest on balances with Reserve Bank of India and other inter-bank funds	10,952,634	6,933,458
IV. Others	19,908,960	16,213,322
Total	626,351,574	549,857,707

Schedule 14 - Other Income

	(₹ in Thousands)	
	Year ended 31-03-2020	Year ended 31-03-2019
I. Commission, exchange and brokerage	96,919,415	88,536,507
II. Profit/(Loss) on sale of investments (net) [Refer Schedule 18(2.2.1)]	21,723,011	7,581,014
III. Profit/(Loss) on sale of land, buildings and other assets (net)*	(44,813)	(229,013)
IV. Profit on exchange/derivative transactions (net)	15,744,570	14,867,360
V. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	2,402,561	1,311,000
VI. Miscellaneous Income [including recoveries on account of advances/investments written off in earlier years ₹1,552.99 crores (previous year ₹1,867.45 crores) and net profit on account of portfolio sell downs/ securitisation ₹25.50 crores (previous year net profit of ₹7.96 crores)]	18,620,863	19,236,526
Total	155,365,607	131,303,394

*includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	(₹ in Thousands)	
	Year ended 31-03-2020	Year ended 31-03-2019
I. Interest on deposits	293,690,561	237,075,125
II. Interest on Reserve Bank of India/Inter-bank borrowings	19,988,994	29,543,171
III. Others	60,609,983	66,157,674
Total	374,289,538	332,775,970

Schedule 16 - Operating Expenses

	(₹ in Thousands)	
	Year ended 31-03-2020	Year ended 31-03-2019
I. Payments to and provisions for employees	53,210,007	47,473,218
II. Rent, taxes and lighting	11,361,948	10,468,677
III. Printing and stationery	1,629,184	1,951,435
IV. Advertisement and publicity	1,125,564	1,018,137
V. Depreciation on bank's property	7,729,508	7,097,249
VI. Directors' fees, allowance and expenses	20,709	27,553
VII. Auditors' fees and expenses	19,207	14,616
VIII. Law charges	1,236,169	1,175,771
IX. Postage, telegrams, telephones etc.	2,739,490	2,962,177
X. Repairs and maintenance	11,429,098	10,549,779
XI. Insurance	7,510,955	6,003,052
XII. Other expenditure	75,034,404	69,592,413
Total	173,046,243	158,334,077

17 Significant Accounting Policies

For the year ended 31 March, 2020

1 Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. The Bank has overseas branches at Singapore, Hong Kong, DIFC - Dubai, Shanghai and Colombo and an Offshore Banking Unit at International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

2 Basis of preparation

The standalone financial statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

3 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

4 Change in accounting policies/estimates

Provision on Non-Fund based outstanding

During the year, the Bank has adopted a policy of maintaining provision on non-funded outstanding in NPAs, prudentially written off accounts, corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC. As a result, the provisions and contingencies for the year are higher by ₹410.52 crores with a consequent reduction to the profit before tax.

5 Significant accounting policies

5.1 Investments

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

However, for disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other approved securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted as per the RBI guidelines.

Acquisition cost

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. In terms of RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per RBI guidelines. The provision on such non-performing investments is not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortised over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities included in the AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by Government of India that do not qualify for SLR, unquoted bonds, debentures, preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the YTM for Government Securities as published by FIMMDA/PDAI/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI.
- Pass Through Certificates ('PTC') and Priority Sector PTCs are valued as per extant FIMMDA guidelines.

- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.
- Units of Venture Capital Funds ('VCF') held under AFS category where current quotations are not available are valued based on the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF after 23 August, 2006 may be categorised under HTM category for the initial period of three years and are valued at cost as per RBI guidelines.
- In case of investments in security receipts on or after 1 April, 2017 which are backed by more than 50 percent of the stressed assets sold by the Bank, provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/Securitisation Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank. All other investments in security receipts are valued as per the NAV obtained from the issuing RC/SCs.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Repurchase and reverse repurchase transactions

Repurchase and reverse repurchase transactions in government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted as collateralised borrowing and lending respectively. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account and the Bank continues to accrue the coupon/discount on the security during the repo period. Further, the Bank continues to value the securities sold under repo as per the investment classification of the security. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

5.2 Advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loan classified as NPAs, provisions in lieu of diminution in the fair value of restructured assets and floating provisions.

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception for agriculture advances and schematic retail advances. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI. Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are classified as NPAs based on host country guidelines, are made as per the host country regulations. In case of NPAs referred to National Company Law Tribunal ('NCLT') under Insolvency and Bankruptcy Code ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time.

Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines.

Amounts recovered against debts written off are recognised in the Profit and Loss account and included under "Other Income".

In case of EMI based standard retail advances, funds received from customers are appropriated in the order of chronology as towards interest, principal, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of chronology as towards charges, penal interest, interest and principal.

The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated 7 June, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timelines.

In respect of borrowers classified as non-cooperative and wilful defaulters, the Bank makes accelerated provisions as per extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided immediately without considering the value of security.

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet. Further, Incremental capital is maintained in respect of borrower counter parties in the highest risk category, in line with stipulations by RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond Normally Permitted Lending Limit ('NPLL') in proportion to Bank's funded exposure to the specified borrowers as per RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI other than for corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC, where general provision is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or RBI. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivatives at the rates prescribed by RBI.

The Bank maintains provision on non-funded outstanding in NPAs, prudentially written off accounts, corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of Equated Monthly Installments ('EMIs') of a specific period subject to fulfilment of a set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of waivers to eligible borrowers in respect of such loans based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

5.3 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

5.4 Securitisation and transfer of assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale

in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

In accordance with RBI guidelines of 7 May, 2012, on 'Guidelines on Securitisation of Standard Assets', gain on securitisation transaction is recognised over the period of the underlying securities issued by the SPV. Loss on securitisation is immediately debited to the Profit and Loss Account.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

5.5 Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

5.6 Foreign currency transactions

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the Balance Sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on PV basis by discounting the forward value till spot date and converting the FCY amount using the respective spot rates as notified by FEDAI. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

5.7 Derivative transactions

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market (MTM)) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on accounting for derivative contracts. Pursuant to the RBI

guidelines any receivables under derivative contracts comprising of crystallised receivables as well as positive Mark-to-Market (MTM) in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in separate Suspense Account.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant marked-to-market profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options (ETCO) is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

5.8 Revenue recognition

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis if overdue for more than 90 days. Income on non-coupon bearing discounted instruments or low-coupon bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Guarantee commission is recognized on a pro-rata basis over the period of the guarantee. Locker rent and annual fees for credit cards are recognised on a straight-line basis over the period of contract. Arrangership/syndication fee is accounted for on completion of the agreed service and when right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of Priority Sector Lending Certificates ('PSLC') is amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of Profit and Loss Account. Fees received on sale of PSLC is amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion business on a consignment basis. The difference between the price recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on an accrual basis.

5.9 Fixed assets and depreciation/impairment

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on the straight-line method from the date of addition. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on historical experience of the Bank, though these rates in certain cases are different

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from lives prescribed under Schedule II of Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life
Leased Land	As per the term of the agreement
Owned premises	60 years
Locker cabinets/cash safe/strong room door	10 years
EPABX, telephone instruments	8 years
Modem, scanner, routers, hubs, switches, racks/cabinets for IT equipment	5 years
UPS, VSAT, fax machines	5 years
Cheque book/cheque encoder, currency counting machine, fake note detector	5 years
Application software	5 years
Electronic Data Capture (EDC)/ Point of Sale (POS) machines	5 years
Vehicles	4 years
Computer hardware including printers	3 years
CCTV and video conferencing equipment	3 years
Assets at staff residence	3 years
Mobile phone	2 years
All other fixed assets	10 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Profit and Loss Account till the date of sale.

Gain or losses arising from the retirement or disposal of Fixed Assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to Capital Reserve account (net of taxes and transfer to statutory reserve) in accordance with RBI instructions.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

5.10 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

5.11 Lease transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Lease income from assets given on operating lease is recognised as income in profit and loss account on a straight line basis over the lease term.

5.12 Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

Gratuity

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although various insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum

payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. Liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year. In respect of employees at overseas branches (other than expatriates) liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

Compensated Absences

Compensated absences are short term in nature for which provision is held on accrual basis.

Superannuation

Employees of the Bank are entitled to receive retirement benefits under the Bank's Superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan, the Bank contributes annually a specified sum of 10% of the employee's eligible annual basic salary to LIC, which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

New Pension Scheme ('NPS')

In respect of employees who opt for contribution to the 'NPS', the Bank contributes certain percentage of the total basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

5.13 Reward points

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing an independent actuary, which includes assumptions such as mortality, redemption and utilization. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

5.14 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of Income tax Act, 1961 and considering the material principle set out in Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

5.15 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

5.16 Corporate Social Responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, is recognised as operating expenditure or capital expenditure as applicable.

5.17 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

5.18 Employee stock option scheme

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have been repealed in the month of October, 2014 and were substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme is in compliance with the said regulations. The Bank follows the intrinsic value method to account for its stock based employee compensation plans as per the Guidelines. Options are granted at an exercise price, which is equal to/less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date, if any, is recognised as a deferred compensation cost and amortised on a straight-line basis over the vesting period of such options.

The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

5.19 Provisions, contingent liabilities and contingent assets

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

5.20 Accounting for dividend

As per AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, the Bank does not account for proposed dividend (including tax) as a liability through appropriation from the profit and loss account. The same is recognised in the year of actual payout post approval of shareholders. However, the Bank reckons proposed dividend in determining capital funds in computing the capital adequacy ratio.

5.21 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

18 Notes forming part of the Financial Statements

For the year ended 31 March, 2020

- 1.1 During the year ended 31 March, 2020, the Bank allotted 45,357,385 equity shares at a price of ₹ 565 per share pursuant to exercise of convertible share warrants by the warrant holders. As a consequence, the paid-up share capital of the Bank has increased by ₹9.07 crores and the reserves of the Bank have increased by ₹2,551.03 crores after charging off issue related expenses.

Further, during the year ended 31 March, 2020, the Bank raised additional equity capital through a Qualified Institutional Placement of 198,728,139 shares at a price of ₹629 per share. As a consequence, the paid-up share capital of the Bank has increased by ₹39.75 crores and the reserves of the Bank have increased by ₹12,392.50 crores after charging off issue related expenses. The funds mobilised from equity raising were utilised for enhancing the capital adequacy ratio and for general corporate purpose.

- 1.2 COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline and volatility in financial markets and decline in economic activities. On 24 March, 2020, the Indian Government announced a strict 21-day lock-down which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's provision on assets will depend on the future developments, which are highly uncertain, including among the other things any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Bank.

The RBI on 27 March, 2020 and 17 April, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of the RBI guidelines, the lending institutions have been permitted to grant a moratorium of three months on payment of all instalments/interest, as applicable, falling due between 1 March, 2020 and 31 May, 2020 ('moratorium period'). As such, in respect of all accounts classified as standard as on 29 February, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provisions as at 31 March, 2020 against the potential impact of COVID-19 based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.

2.1 Statutory disclosures as per RBI

- 2.1.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

	(₹ in crores)	
For the year ended	31 March, 2020	31 March, 2019
Provision for income tax		
- Current tax	2,891.25	3,009.84
- Deferred tax ¹ (Refer 2.2.11)	385.76	(712.36)
	3,277.01	2,297.48
Provision for non-performing assets (including bad debts written off and write backs)	12,755.53	10,221.48
Provision for restructured assets/strategic debt restructuring/sustainable structuring	(15.50)	(19.66)
Provision towards standard assets ²	1,451.32	809.79
Provision for depreciation in value of investments	135.99	300.02
Provision for unhedged foreign currency exposure	(10.68)	18.79
Provision for country risk	12.17	-
Provision for other contingencies ³	4,205.08	700.60
Total	21,810.92	14,328.50

- The Bank has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Bank has recognised provision for income tax for the year ended 31 March, 2020 in line with the above option. This has necessitated a restatement of the opening balance of deferred tax assets as at 1 April, 2019, basis the rate prescribed in the aforesaid section. The restatement has resulted in a write down of ₹2,137.59 crores which has been fully charged to the Profit and Loss account during the year
- including provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹1,117.72 crores
- includes provision for non-banking assets, legal cases, other contingencies and provision of ₹1,882.28 crores for COVID-19 over and above regulatory requirement

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2.1.2 The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

(₹ in crores)

For the year ended	31 March, 2020	31 March, 2019
Common Equity Tier I	81,449.04	62,238.37
Tier I	88,449.04	69,238.37
Tier II	18,556.08	18,221.21
Total capital	107,005.12	87,459.58
Total risk weighted assets and contingents	610,527.33	552,048.06
Capital ratios		
Common Equity Tier I	13.34%	11.27%
Tier I	14.49%	12.54%
Tier II	3.04%	3.30%
CRAR	17.53%	15.84%
Amount of equity capital raised	48.82*	-
Amount of additional Tier I capital raised of which:		
Perpetual Non-Cumulative Preference Shares (PNCPS)	-	-
Perpetual Debt Instruments (PDI) (details given below)	-	-
Amount of Tier II capital raised of which:		
Debt capital instrument (details given below)	-	-
Preferential capital instrument	-	-

*excluding securities premium of ₹15,013.88 crores

During the year ended 31 March, 2020 and 31 March, 2019, the Bank has not raised debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March, 2020, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier II	16 June, 2019	120 months	9.15%p.a.	₹2,000 crores

During the year ended 31 March, 2019, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier II	7 November, 2018	120 months	11.75% p.a.	₹1,500 crores
Subordinated debt	Tier II	28 March, 2019	120 months	9.95%p.a.	₹200 crores

2.1.3 The key business ratios and other information is set out below:

As at	31 March, 2020	31 March, 2019
	%	%
Interest income as a percentage to working funds [#]	7.56	7.38
Non-interest income as a percentage to working funds [#]	1.87	1.76
Operating profit ^{\$\$} as a percentage to working funds [#]	2.83	2.55
Return on assets (based on working funds [#])	0.20	0.63
Business (deposits less inter-bank deposits plus advances) per employee ^{**}	₹17.27 crores	₹16.53 crores
Profit per employee ^{**}	₹2.40 lacs	₹7.61 lacs
Net non-performing assets as a percentage of net customer assets [*]	1.56	2.06

[#] Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year

^{\$\$} Operating profit represents total income as reduced by interest expended and operating expenses

^{**} Productivity ratios are based on average employee numbers for the year

^{*} Net Customer assets include advances and credit substitutes

2.1.4 The provisioning coverage ratio of the Bank computed in terms of the RBI guidelines as on 31 March, 2020 was 82.69% (previous year 76.78%).

2.1.5 Asset Quality

i) Net non-performing advances to net advances is set out below:

	31 March, 2020	31 March, 2019
	%	%
Net non-performing advances as a percentage of net advances	1.62	2.20

ii) Movement in gross non-performing assets is set out below:

(₹ in crores)

	31 March, 2020		
	Advances	Investments	Total
Gross NPAs as at the beginning of the year	27,146.45	2,642.99	29,789.44
Intra Category Transfer	-	-	-
Additions (fresh NPAs) during the year	17,350.64	2,564.37	19,915.01
Sub-total (A)	44,497.09	5,207.36	49,704.45
Less:-			
(i) Upgradations	6,411.62	174.52	6,586.14
(ii) Recoveries (excluding recoveries made from upgraded accounts)#	2,462.83	252.39	2,715.22
(iii) Technical/Prudential Write-offs	7,503.38	206.49	7,709.87
(iv) Write-offs other than those under (iii) above	1,515.16	944.24	2,459.40
Sub-total (B)	17,892.99	1,577.64	19,470.63
Gross NPAs as at the end of the year (A-B)	26,604.10	3,629.72	30,233.82

including sale of NPAs

(₹ in crores)

	31 March, 2019		
	Advances	Investments	Total
Gross NPAs as at the beginning of the year	30,876.32	3,372.32	34,248.64
Intra Category Transfer	(2.60)	2.60	-
Additions (fresh NPAs) during the year	13,510.75	360.34	13,871.09
Sub-total (A)	44,384.47	3,735.26	48,119.73
Less:-			
(i) Upgradations	4,982.66	90.94	5,073.60
(ii) Recoveries (excluding recoveries made from upgraded accounts)#	3,977.11	50.13	4,027.24
(iii) Technical/Prudential Write-offs	6,655.40	843.46	7,498.86
(iv) Write-offs other than those under (iii) above#	1,622.85	107.74	1,730.59
Sub-total (B)	17,238.02	1,092.27	18,330.29
Gross NPAs as at the end of the year (A-B)	27,146.45	2,642.99	29,789.44

including sale of NPAs

iii) Movement in net non-performing assets is set out below:

(₹ in crores)

	31 March, 2020		
	Advances	Investments	Total
Opening balance at the beginning of the year	10,874.76	400.84	11,275.60
Additions during the year	7,418.38	246.62	7,665.00
Effect of exchange rate fluctuation	(236.26)	8.84	(227.42)
Reductions during the year	(8,785.05)	(660.04)	(9,445.09)
Interest Capitalisation - Restructured NPA Accounts	(19.84)	112.16	92.32
Closing balance at the end of the year#	9,251.99	108.42	9,360.41

net of balance outstanding in interest capitalisation-restructured NPA accounts amounting to ₹70.73 crores

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(₹ in crores)

	31 March, 2019		
	Advances	Investments	Total
Opening balance at the beginning of the year	16,004.42	587.29	16,591.71
Additions during the year	3,958.27	(63.98)	3,894.29
Effect of exchange rate fluctuation	(76.29)	(8.74)	(85.03)
Reductions during the year	(9,120.94)	(142.36)	(9,263.30)
Interest Capitalisation – Restructured NPA Accounts	109.30	28.63	137.93
Closing balance at the end of the year[#]	10,874.76	400.84	11,275.60

[#] net of balance outstanding in interest capitalisation-restructured NPA accounts amounting to ₹163.05 crores

iv) Movement in provisions for non-performing assets is set out below:

(₹ in crores)

	31 March, 2020		
	Advances	Investments	Total
Opening balance at the beginning of the year	16,253.17	2,097.62	18,350.79
Intra-Category Transfer	-	-	-
Provisions made during the year	9,926.33	2,317.75	12,244.08
Effect of exchange rate fluctuation	236.26	(8.84)	227.42
Transfer from restructuring provision	5.93	-	5.93
Write-offs/(write back) of excess provision*	(9,107.94)	(917.60)	(10,025.54)
Closing balance at the end of the year	17,313.75	3,488.93	20,802.68

* includes provision utilised for sale of NPAs amounting to ₹408.93 crores

(₹ in crores)

	31 March, 2019		
	Advances	Investments	Total
Opening balance at the beginning of the year	14,744.08	2,611.87	17,355.95
Intra-Category Transfer	(2.60)	2.60	-
Provisions made during the year	9,552.47	424.32	9,976.79
Effect of exchange rate fluctuation	76.29	8.74	85.03
Transfer from restructuring provision	-	-	-
Write-offs/(write back) of excess provision*	(8,117.07)	(949.91)	(9,066.98)
Closing balance at the end of the year	16,253.17	2,097.62	18,350.79

* includes provision utilised for sale of NPAs amounting to ₹469.58 crores

v) Movement in technical/prudential written off accounts is set out below:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening balance at the beginning of the year	18,771.85	13,221.26
Add: Technical/Prudential write-offs during the year	7,709.87	7,498.86
Add: Effect of exchange rate fluctuation	416.42	192.23
Sub-total (A)	26,898.14	20,912.35
Less: Recovery made from previously technical/prudential written-off accounts during the year	1,384.03	1,724.46
Less: Sacrifice made from previously technical/prudential written-off accounts during the year	1,670.04	416.04
Sub-total (B)	3,054.07	2,140.50
Closing balance at the end of the year (A-B)	23,844.07	18,771.85

vi) Total exposure (funded and non-funded) to top four non-performing assets is given below:

(₹ in crores)

	31 March, 2020	31 March, 2019
Total exposure (funded and non-funded) to top four NPA accounts	4,060.55	4,513.63

vii) Sector-wise advances:

(₹ in crores)

Sr. No.	Sector	31 March, 2020			31 March, 2019		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	32,454.55	1,575.93	4.86%	27,829.60	1,533.92	5.51%
2	Advances to industries sector eligible as priority sector lending	27,953.55	1,237.85	4.43%	26,871.04	901.97	3.36%
	-Chemical & Chemical products	2,306.23	62.74	2.72%	2,539.72	54.26	2.14%
	-Basic Metal & Metal Products	2,346.61	56.34	2.40%	2,585.52	28.08	1.09%
	-Infrastructure	561.94	41.55	7.39%	618.69	33.49	5.41%
3	Services	21,240.75	874.42	4.12%	21,122.23	707.41	3.35%
	-Banking and Finance other than NBFCs and MFs	1,617.28	13.46	0.83%	2,082.82	14.64	0.70%
	-Non-banking financial companies (NBFCs)	371.68	-	-	1,091.99	-	-
	-Commercial Real Estate	270.22	15.54	5.75%	377.24	18.82	4.99%
	-Trade	11,074.55	718.76	6.49%	12,464.07	564.13	4.53%
4	Personal loans	64,190.85	525.20	0.82%	44,740.94	376.42	0.84%
	-Housing*	45,987.55	272.12	0.59%	36,873.80	271.41	0.74%
	-Vehicle Loans	11,654.72	211.28	1.81%	4,496.31	60.98	1.36%
	Sub-total (A)	145,839.70	4,213.40	2.89%	120,563.81	3,519.72	2.92%
B	Non Priority Sector						
1	Agriculture and allied activities	166.08	18.19	10.95%	-	-	-
2	Industry	163,800.40	16,248.24	9.92%	145,127.78	18,512.21	12.76%
	-Chemical & Chemical products	19,451.17	1,264.78	6.50%	18,345.25	1,304.13	7.11%
	-Basic Metal & Metal Products	21,677.64	969.21	4.47%	20,510.98	1,095.61	5.34%
	-Infrastructure	53,712.35	7,514.69	13.99%	44,367.96	10,863.83	24.49%
3	Services	95,904.00	4,923.83	5.13%	91,160.11	3,912.57	4.29%
	-Banking and Finance other than NBFCs and MFs	27,135.89	316.51	1.17%	27,735.77	190.55	0.69%
	-Non-banking financial companies (NBFCs)	16,502.49	182.31	1.10%	14,374.90	5.49	0.04%
	-Commercial Real Estate	17,279.94	1,698.52	9.83%	15,925.72	1,689.73	10.61%
	-Trade	13,641.42	795.41	5.83%	10,852.94	378.75	3.49%
4	Personal loans	183,087.52	1,200.44	0.66%	154,244.74	1,201.95	0.78%
	-Housing*	87,433.64	701.70	0.80%	78,327.84	753.18	0.96%
	-Vehicle Loans	20,234.86	186.58	0.92%	19,371.98	164.77	0.85%
	Sub-total (B)	442,958.00	22,390.70	5.05%	390,532.63	23,626.73	6.05%
	Total (A+B)	588,797.70	26,604.10	4.52%	511,096.44	27,146.45	5.31%

* includes loan against property

Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to RBI

Figures in italics represent sub-sectors where the outstanding advance exceeds 10% of total outstanding advance to that sector.

viii) Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1 April, 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the

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additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2019.

- ix) Disclosure with regard to accounts where moratorium has been granted under COVID-19 Regulatory Package

		(₹ in crores)
For the year ended		31 March, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended**§		11,177.22
Respective amount where asset classification benefit is extended as on 31 March, 2020		735.10
Provisions made as on 31 March, 2020		1,117.72
Provisions adjusted during the respective accounting periods against slippages		-
Residual provisions as on 31 March, 2020		1,117.72

* represents total outstanding as on 31 March, 2020

§ amounts covered relate to cases where asset classification benefit would have been availed over the moratorium period, based on interpretation of extant regulatory requirements on the date of adoption of financial statements by the Board

- 2.1.6 During the years ended 31 March, 2020 and 31 March, 2019 none of the loans and advances held at overseas branches of the Bank have been classified as NPA by any host banking regulator for reasons other than record of recovery.

- 2.1.7 Movement in floating provision is set out below:

		(₹ in crores)	
For the year ended		31 March, 2020	31 March, 2019
Opening balance at the beginning of the year		3.25	3.25
Provisions made during the year		-	-
Draw down made during the year		-	-
Closing balance at the end of the year		3.25	3.25

- 2.1.8 Provision on Standard Assets:

		(₹ in crores)	
		31 March, 2020	31 March, 2019
Provision towards Standard Assets [includes provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹1,117.72 crores (previous year Nil); also includes ₹68.30 crores (previous year ₹38.14 crores) of standard provision on derivative exposures]		4,519.74	3,040.44

- 2.1.9 Details of Investments are set out below:

- i) Value of Investments:

		(₹ in crores)	
		31 March, 2020	31 March, 2019
1) Gross value of Investments			
a) In India		155,333.07	172,597.47
b) Outside India		5,539.37	5,029.73
2) (i) Provision for Depreciation			
a) In India		(642.44)	(560.31)
b) Outside India		(6.76)	-
(ii) Provision for Non-Performing Investments			
a) In India		(3,284.52)	(1,903.39)
b) Outside India		(204.41)	(194.22)
3) Net value of Investments			
a) In India		151,406.12	170,133.77
b) Outside India		5,328.20	4,835.51

ii) Movement of provisions held towards depreciation on investments:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening balance	560.31	254.54
Add: Provisions made during the year*	185.90	326.46
Less: Write offs/write back of excess provisions during the year	(97.01)	(20.69)
Closing balance	649.20	560.31

*including transfer from interest capitalization account

iii) Details of category wise investments are set out below:

Particulars	31 March, 2020				31 March, 2019			
	HTM	AFS	HFT	Total	HTM	AFS	HFT	Total
Government Securities	111,999.63	11,159.20	2,822.72	125,981.55	104,003.78	15,286.85	948.75	120,239.38
Other approved Securities	-	-	-	-	-	-	-	-
Shares	-	1,186.24	-	1,186.24	-	1,010.84	-	1,010.84
Debentures and Bonds	591.42	17,805.40	2,906.47	21,303.29	-	31,807.51	8,361.32	40,168.83
Subsidiary/Joint Ventures	2,292.82	-	-	2,292.82	2,286.12	-	-	2,286.12
Others	1.60	5,893.90	74.92	5,970.42	3.86	5,689.50	5,570.75	11,264.11
Total	114,885.47	36,044.74	5,804.11	156,734.32	106,293.76	53,794.70	14,880.81	174,969.28

2.1.10 A summary of lending to sensitive sectors is set out below:

As at	(₹ in crores)	
	31 March, 2020	31 March, 2019
A. Exposure to Real Estate Sector		
1) Direct Exposure		
(i) Residential mortgages	134,268.89	123,297.28
- of which housing loans eligible for inclusion in priority sector advances	41,706.24	33,799.67
(ii) Commercial real estate	26,155.61	23,982.81
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	75.00
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	20,093.82	26,232.39
Total Exposure to Real Estate Sector	180,518.32	173,587.48
B. Exposure to Capital Market		
1. Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt*	2,003.55	1,726.94
2. Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	3.20	4.68
3. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security	1,554.52	1,414.36

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(₹ in crores)

As at	31 March, 2020	31 March, 2019
4. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	242.45	2,566.92
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	6,208.70	5,115.79
6. Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	10.83
7. Bridge loans to companies against expected equity flows/issues	-	1.44
8. Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
9. Financing to stock brokers for margin trading	-	-
10. All exposures to Venture Capital Funds (both registered and unregistered)	161.43	112.45
Total exposure to Capital Market (Total of 1 to 10)	10,173.85	10,953.41

* excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹991.59 crores as on 31 March, 2020 (previous year ₹1,694.02 crores) which are exempted from exposure to Capital Market

2.1.11 As on 31 March, 2020, outstanding receivables acquired by the Bank under factoring stood at ₹591.17 crores (previous year ₹419.39 crores) which are reported under 'Bills Purchased and Discounted' in Schedule 9 of the Balance Sheet.

2.1.12 During the years ended 31 March, 2020 and 31 March, 2019 there are no unsecured advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken as collateral by the Bank.

2.1.13 Details of Non-SLR investment portfolio are set out below:

i) Issuer composition as at 31 March, 2020 of non-SLR investments*:

(₹ in crores)

No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	6,300.05	4,735.07	154.70	-	13.62
ii.	Financial Institutions	2,002.19	1,402.80	77.24	-	-
iii.	Banks	1,089.35	981.04	-	-	88.91
iv.	Private Corporates	16,874.54	13,222.36	2,067.37	601.14	5,034.88
v.	Subsidiaries	2,292.82	2,292.82	-	-	2,292.82
vi.	Others	10,395.43	6,441.03	-	-	6,597.07
vii.	Provision held towards depreciation on investments	(649.20)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(3,488.93)	N.A.	N.A.	N.A.	N.A.
	Total	34,816.25	29,075.12	2,299.31	601.14	14,027.30

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

Issuer composition as at 31 March, 2019 of non-SLR investments*:

(₹ in crores)

No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	9,489.66	5,411.68	657.56	0.98	2,038.79
ii.	Financial Institutions	5,400.64	3,883.90	50.30	-	26.87
iii.	Banks	1,716.72	1,151.67	-	-	14.00
iv.	Private Corporates	33,243.43	22,749.72	1,059.05	753.04	9,365.44
v.	Subsidiaries	2,286.12	2,286.12	-	-	2,286.12
vi.	Others	8,667.72	5,676.37	-	-	5,787.92
vii.	Provision held towards depreciation on investments	(560.31)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(2,097.61)	N.A.	N.A.	N.A.	N.A.
	Total	58,146.37	41,159.46	1,766.91	754.02	19,519.14

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

*excludes investments in non-SLR government securities amounting to ₹5,000.00 (previous year ₹42.54 crores)

ii) Movement in non-performing non SLR investments are set out below:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening balance	2,642.99	3,372.32
Additions during the year	2,564.37	362.94
Reductions during the year	(1,577.64)	(1,092.27)
Closing balance	3,629.72	2,642.99
Total provisions held	3,488.93	2,097.62

2.1.14 Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions (including triparty repos):

Year ended 31 March, 2020

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31-03-2020
Securities sold under repos				
i. Government Securities	-	14,761.55	1,386.37	11,269.61
ii. Corporate debt Securities	-	2,261.12	732.34	363.19
Securities purchased under reverse repos				
i. Government Securities	342.65	56,973.93	14,186.14	52,656.69
ii. Corporate debt Securities	-	25.00	0.07	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2020.

Year ended 31 March, 2019

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31-03-2019
Securities sold under repos				
i. Government Securities	-	14,687.58	1,219.73	14,687.58
ii. Corporate debt Securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	-	23,514.53	5,109.53	23,514.53
ii. Corporate debt Securities	-	100.00	0.31	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2019.

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2.1.15 Details of financial assets sold to Securitisation/Reconstruction companies for Asset Reconstruction:

(₹ in crores)

	31 March, 2020	31 March, 2019
Number of accounts*	3	5
Aggregate value (net of provisions) of accounts sold	7.92	159.29
Aggregate consideration	28.80	236.61
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate net gain/(loss) over net book value	20.88	77.32

*Excludes 1 account already written-off (previous year 3 accounts)

Excess provision reversed to the profit and loss account from sale of NPAs amounts to ₹20.88 crores (previous year ₹85.83 crores)

(₹ in crores)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying		Total	
	As on 31 March, 2020	As on 31 March, 2019	As on 31 March, 2020	As on 31 March, 2019	As on 31 March, 2020	As on 31 March, 2019
Book value of investments in Security Receipts ('SRs')	2,197.31	2,908.00	2.26	2.26	2,199.57	2,910.26

(₹ in crores)

Particulars	As at 31 March, 2020				Total
	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago		
(i) Book value of SRs backed by NPAs sold by the bank as underlying	1,953.26	243.72	0.33		2,197.31
Provisions held against (i)*	(183.20)	(241.52)	(0.33)		(425.05)
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.22	1.38	0.66		2.26
Provisions held against (ii)*	-	(0.29)	(0.66)		(0.95)
Total (i) + (ii), net of provisions	1,770.28	3.29	-		1,773.57

* represents provision for depreciation on SRs and is net off appreciation, if any against other SRs

(₹ in crores)

Particulars	As at 31 March, 2019				Total
	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago		
(i) Book value of SRs backed by NPAs sold by the bank as underlying	2,664.02	243.98	-		2,908.00
Provisions held against (i)*	-	(220.83)	-		(220.83)
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	0.22	1.38	0.66		2.26
Provisions held against (ii)*	-	-	(0.66)		(0.66)
Total (i) + (ii), net of provisions	2,664.24	24.53	-		2,688.77

* represents provision for depreciation on SRs and is net off appreciation, if any against other SRs

2.1.16 Details of the Non-Performing Financial Assets sold to other banks (excluding securitisation/reconstruction companies):

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Number of accounts sold	1	4
Aggregate outstanding*	616.93	755.39
Aggregate consideration received	170.55	481.52

*Represents principal outstanding as on date of sale

During the years ended 31 March, 2020 and 31 March, 2019 there were no Non-Performing Financial Assets purchased by the Bank from other banks (excluding securitisation/reconstruction companies).

2.1.17 Details of securitisation transactions undertaken by the Bank are as follows:

		(₹ in crores)	
Sr. No.	Particulars	31 March, 2020	31 March, 2019
1	No. of SPVs sponsored by the bank for securitisation transactions	-	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the Bank	-	-
3	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

2.1.18 The information on concentration of deposits is given below:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Total deposits of twenty largest depositors	58,674.60	64,899.05
Percentage of deposits of twenty largest depositors to total deposits	9.17	11.83

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2.1.19 The information on concentration of advances* is given below:

(₹ in crores)

	31 March, 2020	31 March, 2019
Total advances to twenty largest borrowers	74,849.03	62,677.26
Percentage of advances to twenty largest borrowers to total advances of the Bank	8.65	8.56

* Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI

2.1.20 The information on concentration of exposure* is given below:

(₹ in crores)

	31 March, 2020	31 March, 2019
Total exposure to twenty largest borrowers/customers	92,264.51	84,341.85
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	10.08	10.55

* Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

2.1.21 During the year ended 31 March, 2020 and 31 March, 2019, the Bank's credit exposure to single borrower and group borrowers was within the prudential exposure limits prescribed by RBI.

2.1.22 Details of Risk Category wise Country Exposure:

(₹ in crores)

Risk Category	Exposure (Net) as at 31 March, 2020	Provision Held as at 31 March, 2020	Exposure (Net) as at 31 March, 2019	Provision Held as at 31 March, 2019
Insignificant	-	-	-	-
Low	19,223.10	12.17	22,233.01	-
Moderate	5,304.97	-	2,948.18	-
High	95.91	-	1,038.47	-
Very High	1,219.26	-	2,827.57	-
Restricted	1.69	-	-	-
Off-Credit	-	-	-	-
Total	25,844.93	12.17	29,047.23	-

2.1.23 A maturity pattern of certain items of assets and liabilities at 31 March, 2020 and 31 March, 2019 is set out below:

As at 31 March, 2020

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ¹	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	9,393.22	4,373.19	34,818.51	-	8,783.77	319.49
2 days to 7 days	29,764.93	4,380.02	1,510.13	72.06	5,827.00	3,477.56
8 days to 14 days	15,065.83	3,956.05	4,695.30	463.34	628.87	667.67
15 days to 30 days	18,598.50	10,947.57	4,399.54	6,302.02	4,683.82	2,548.11
31 days and upto 2 months	27,305.18	15,526.78	4,419.81	7,814.64	2,669.03	9,095.83
Over 2 months and upto 3 months	24,411.64	15,015.80	3,538.71	4,412.42	3,233.05	6,854.61
Over 3 months and upto 6 months	53,506.32	30,319.38	6,743.15	17,592.82	8,109.22	18,744.94
Over 6 months and upto 1 year	83,932.89	51,919.47	10,037.31	26,182.68	15,510.51	30,201.76
Over 1 year and upto 3 years	23,586.16	114,606.88	15,369.43	50,425.65	12,960.38	15,689.63
Over 3 years and upto 5 years	2,688.28	69,495.45	7,207.81	13,783.50	3,911.41	3,846.53
Over 5 years	351,851.99	250,883.57	63,994.62	20,905.00	31,522.80	7,114.42
Total	640,104.94	571,424.16	156,734.32	147,954.13	97,839.86	98,560.55

1. Includes foreign currency balances

2. For the purpose of disclosing the maturity pattern, advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket

corresponding to the contractual maturities of such underlying loans and advances gross of any risk participation. The IBPC and FRP amounts have been classified in the respective maturities of the corresponding underlying loans.

3. Maturity profile of foreign currency assets & liabilities excludes off balance sheet items.
4. The maturity profile disclosed above does not factor in the effect of changes due to postponement of cash flows on account of loans under 3 months moratorium period as permitted under RBI's COVID-19 Regulatory Package notified on 27 March, 2020.
5. During the year ended 31 March, 2020, pursuant to the approval of the Board of Directors, the Bank changed the behavioural methodology for determining the maturity pattern of term deposits of ticket size less than ₹2 crores from account level to constituent level. As a result, the above figures for deposits are strictly not comparable with the previous year. Further, the Bank reports core deposits largely as part of 'over 5 years' bucket based on the results of the behavioural analysis.

As at 31 March, 2019

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ¹	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	8,854.09	3,179.52	31,440.58	-	9,025.92	245.77
2 days to 7 days	22,294.97	5,234.97	4,660.62	15,062.95	4,964.20	1,418.32
8 days to 14 days	15,394.97	5,107.99	8,025.69	1,024.36	3,041.63	1,294.73
15 days to 30 days	19,159.42	13,573.13	6,803.41	5,275.12	7,739.23	4,116.12
31 days and upto 2 months	36,696.06	9,656.92	7,569.10	10,457.24	2,218.20	10,542.55
Over 2 months and upto 3 months	35,984.16	14,524.37	7,972.16	11,602.82	3,146.91	11,797.01
Over 3 months and upto 6 months	55,550.20	22,578.92	10,247.36	16,315.61	5,867.26	14,577.87
Over 6 months and upto 1 year	107,987.13	29,784.41	20,195.62	22,525.88	4,102.00	28,803.38
Over 1 year and upto 3 years	37,116.54	94,599.36	23,031.65	29,480.21	8,148.93	14,285.41
Over 3 years and upto 5 years	10,036.96	59,808.46	9,773.49	17,369.91	8,329.96	6,562.59
Over 5 years	199,396.84	236,749.92	45,249.60	23,661.68	41,488.00	4,528.35
Total	548,471.34	494,797.97	174,969.28	152,775.78	98,072.24	98,172.10

1. Includes foreign currency balances
2. For the purpose of disclosing the maturity pattern, advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket corresponding to the contractual maturities of such underlying loans and advances gross of any risk participation. The IBPC and FRP amounts have been classified in the respective maturities of the corresponding underlying loans.
3. Maturity profile of foreign currency assets & liabilities excludes off balance sheet items.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

2.1.24 Disclosure on Restructured Assets

Details of loans subjected to restructuring during the year ended 31 March, 2020 are given below:

(₹ in crores)

Type of Restructuring	Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	4	-	4	4	12	-	-	-	-	-
	Amount Outstanding - Restructured facility	267.63	-	467.93	97.86	833.42	-	-	-	-	-
	Amount Outstanding - Other facility	0.55	-	89.42	35.76	125.73	-	-	-	-	-
	Provision thereon	6.06	-	-	-	6.06	-	-	-	-	-

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(₹ in crores)

Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Fresh Restructuring during the year ¹²	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding - Restructured facility	0.54	-	32.29	10.16	42.99	-	-	-	-	-
	Amount Outstanding - Other facility	141.80	-	4.72	27.14	173.66	-	-	-	-	-
	Provision thereon	2.39	-	-	-	2.39	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding - Restructured facility	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding - Other facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/ or additional risk weight at the end of FY	No. of borrowers	(1)				(1)	-				-
	Amount Outstanding - Restructured facility	(4.08)				(4.08)	-				-
	Amount Outstanding - Other facility	-				-	-				-
	Provision thereon	(0.26)				(0.26)	-				-
Downgradation of restructured accounts during the FY ³	No. of borrowers	(2)	-	(1)	3	-	-	-	-	-	-
	Amount Outstanding - Restructured facility	(125.17)	-	(275.52)	400.69	-	-	-	-	-	-
	Amount Outstanding - Other facility	(142.35)	-	80.68	61.67	-	-	-	-	-	-
	Provision thereon	(8.19)	-	(8.19)	-	-	-	-	-	-	-

(₹ in crores)

Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Write-offs of restructured accounts during the FY ^{4,5,6}	No. of borrowers	-	-	(1)	-	(1)	-	-	-	-	-
	Amount Outstanding - Restructured facility	(138.32)	-	(99.52)	(13.11)	(250.95)	-	-	-	-	-
	Amount Outstanding - Other facility	-	-	(32.46)	-	(32.46)	-	-	-	-	-
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	1	-	2	7	10	-	-	-	-	-
	Amount Outstanding - Restructured facility	0.60	-	125.18	495.60	621.38	-	-	-	-	-
	Amount Outstanding - Other facility	-	-	142.36	124.57	266.93	-	-	-	-	-
	Provision thereon	-	-	8.19	-	8.19	-	-	-	-	-

(₹ in crores)

Type of Restructuring Asset Classification		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	745	103	33	5	886	749	103	37	9	898
	Amount Outstanding - Restructured facility	690.09	16.79	3,284.63	159.69	4,151.20	957.72	16.79	3,752.56	257.55	4,984.62
	Amount Outstanding - Other facility	19.47	0.14	1,310.61	85.02	1,415.24	20.02	0.14	1,400.03	120.78	1,540.97
	Provision thereon	10.54	-	2.08	-	12.62	16.60	-	2.08	-	18.68
Fresh Restructuring during the year ^{1,2}	No. of borrowers	249	-	-	-	249	249	-	-	-	249
	Amount Outstanding - Restructured facility	121.14	1.96	76.57	18.93	218.60	121.68	1.96	108.86	29.09	261.59
	Amount Outstanding - Other facility	72.74	0.02	24.07	14.47	111.30	214.54	0.02	28.79	41.61	284.96
	Provision thereon	2.48	-	(2.08)	-	0.40	4.87	-	(2.08)	-	2.79

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(₹ in crores)

Type of Restructuring Asset Classification		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Upgradation to restructured standard category during the FY	No. of borrowers	15	(15)	-	-	-	15	(15)	-	-	-
	Amount Outstanding – Restructured facility	1.94	(1.94)	-	-	-	1.94	(1.94)	-	-	-
	Amount Outstanding – Other facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(48)				(48)	(49)				(49)
	Amount Outstanding – Restructured facility	(249.86)				(249.86)	(253.94)				(253.94)
	Amount Outstanding – Other facility	(33.93)				(33.93)	(33.93)				(33.93)
	Provision thereon	(8.86)				(8.86)	(9.12)				(9.12)
Downgradation of restructured accounts during the FY ³	No. of borrowers	(96)	11	81	4	-	(98)	11	80	7	-
	Amount Outstanding – Restructured facility	(11.76)	(3.45)	14.07	1.14	-	(136.93)	(3.45)	(261.45)	401.83	-
	Amount Outstanding – Other facility	(5.41)	5.19	0.22	-	-	(147.76)	5.19	80.90	61.67	-
	Provision thereon	-	-	-	-	-	(8.19)	-	8.19	-	-
Write-offs of restructured accounts during the FY ^{4,5,6}	No. of borrowers	(1)	(5)	(33)	(3)	(42)	(1)	(5)	(34)	(3)	(43)
	Amount Outstanding – Restructured facility	(51.22)	(2.16)	(1,752.36)	(71.24)	(1,876.98)	(189.54)	(2.16)	(1,851.88)	(84.35)	(2,127.93)
	Amount Outstanding – Other facility	(0.75)	(0.05)	(853.48)	(9.29)	(863.57)	(0.75)	(0.05)	(885.94)	(9.29)	(896.03)

(₹ in crores)

Type of Restructuring Asset Classification		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	864	94	81	6	1,045	865	94	83	13	1,055
	Amount Outstanding - Restructured facility	500.33	11.20	1,622.91	108.52	2,242.96	500.93	11.20	1,748.09	604.12	2,864.34
	Amount Outstanding - Other facility	52.12	5.30	481.42	90.20	629.04	52.12	5.30	623.78	214.77	895.97
	Provision thereon	4.16	-	-	-	4.16	4.16	-	8.19	-	12.35

Amount outstanding under restructuring facilities and other facilities is as on 31 March, 2020:

1. Amount reported here represents outstanding as on 31 March, 2020. Actual amount subjected to restructuring determined as on the date of approval of restructuring proposal is ₹38.06 crores for the FY 2019-20
2. Includes ₹3.13 crores of fresh/additional sanction to existing restructured accounts (entirely under restructured facility)
3. Includes accounts which were not attracting higher provisioning and/or additional risk weight at the beginning of FY
4. Includes accounts partially written-off during the year
5. Amount outstanding under restructuring facilities and other facilities is as on the date of write-off in the books
6. Includes ₹148.39 crores of reduction from existing restructured accounts by way of sale/recovery (₹144.28 crores from restructured facility and ₹4.11 crores from other facility)
7. The cumulative value of net restructured advances after reducing the provision held for diminution in fair value and balance in interest capitalization account upto 31 March, 2020 aggregated ₹472.14 crores
8. Information appearing under substandard, doubtful and loss category also include accounts slipped into NPAs from restructured standard advances along with restructured NPAs

Details of loans subjected to restructuring during the year ended 31 March, 2019 are given below:

(₹ in crores)

Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	7	-	18	6	31	-	-	-	-	-
	Amount Outstanding - Restructured facility	427.80	-	1,370.79	124.65	1,923.24	-	-	-	-	-
	Amount Outstanding - Other facility	279.33	-	350.31	34.10	663.74	-	-	-	-	-
	Provision thereon	11.28	-	28.37	-	39.65	-	-	-	-	-

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(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount	8.72	-	11.69	-	20.41	-	-	-	-	-
	Outstanding - Restructured facility	-	-	10.50	23.97	34.47	-	-	-	-	-
	Provision thereon	0.64	-	(28.19)	-	(27.55)	-	-	-	-	-
Fresh Restructuring during the year ¹²	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount	-	-	-	-	-	-	-	-	-	-
	Outstanding - Restructured facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	1	-	(1)	-	-	-	-	-	-	-
	Amount	15.97	-	(15.97)	-	-	-	-	-	-	-
	Outstanding - Restructured facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	0.18	-	(0.18)	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(4)	-	-	-	(4)	-	-	-	-	-
	Amount	(178.19)	-	-	-	(178.19)	-	-	-	-	-
	Outstanding - Restructured facility	(278.78)	-	-	-	(278.78)	-	-	-	-	-
	Provision thereon	(6.05)	-	-	-	(6.05)	-	-	-	-	-

(₹ in crores)

Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Downgradation of restructured accounts during the FY ³	No. of borrowers	-	-	(1)	1	-	-	-	-	-	-
	Amount Outstanding - Restructured facility	-	-	(22.74)	22.74	-	-	-	-	-	-
	Amount Outstanding - Other facility	-	-	(5.51)	5.51	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Write-offs of restructured accounts during the FY ^{4,5,6}	No. of borrowers	-	-	(12)	(3)	(15)	-	-	-	-	-
	Amount Outstanding - Restructured facility	(6.67)	-	(875.84)	(49.54)	(932.05)	-	-	-	-	-
	Amount Outstanding - Other facility	-	-	(265.88)	(27.82)	(293.70)	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	4	-	4	4	12	-	-	-	-	-
	Amount Outstanding - Restructured facility	267.63	-	467.93	97.86	833.42	-	-	-	-	-
	Amount Outstanding - Other facility	0.55	-	89.42	35.76	125.73	-	-	-	-	-
	Provision thereon	6.06	-	-	-	6.06	-	-	-	-	-

(₹ in crores)

Type of Restructuring Asset Classification		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	516	18	191	87	812	523	18	209	93	843
	Amount Outstanding - Restructured facility	757.33	4.55	3,902.96	151.90	4,816.74	1,185.13	4.55	5,273.75	276.55	6,739.98
	Amount Outstanding - Other facility	268.82	0.33	1,390.05	3.75	1,662.95	548.15	0.33	1,740.36	37.85	2,326.69
	Provision thereon	7.35	-	36.97	-	44.32	18.63	-	65.34	-	83.97

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(₹ in crores)

Type of Restructuring Asset Classification		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount	0.85	-	67.59	(1.23)	67.21	9.57	-	79.28	(1.23)	87.62
	Outstanding - Restructured facility										
	Amount	(0.17)	-	5.74	-	5.57	(0.17)	-	16.24	23.97	40.04
	Provision thereon	(2.31)	-	(26.69)	-	(29.00)	(1.67)	-	(54.88)	-	(56.55)
Fresh Restructuring during the year ^{1,2}	No. of borrowers	457	1	5	-	463	457	1	5	-	463
	Amount	289.27	0.01	0.20	-	289.48	289.27	0.01	0.20	-	289.48
	Outstanding - Restructured facility										
	Amount	18.84	0.01	0.01	-	18.86	18.84	0.01	0.01	-	18.86
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	32	(22)	(10)	-	-	33	(22)	(11)	-	-
	Amount	338.52	(5.16)	(333.36)	-	-	354.49	(5.16)	(349.33)	-	-
	Outstanding - Restructured facility										
	Amount	0.25	(0.09)	(0.16)	-	-	0.25	(0.09)	(0.16)	-	-
	Provision thereon	8.19	-	(8.19)	-	-	8.37	-	(8.37)	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(90)				(90)	(94)				(94)
	Amount	(537.26)				(537.26)	(715.45)				(715.45)
	Outstanding - Restructured facility										
	Amount	(235.70)				(235.70)	(514.48)				(514.48)
	Provision thereon	(2.70)			(2.70)	(8.75)					(8.75)

(₹ in crores)

Type of Restructuring Asset Classification		Others					Total				
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Downgradation of restructured accounts during the FY ³	No. of borrowers	(163)	107	50	6	-	(163)	107	49	7	-
	Amount	(154.37)	17.59	(23.92)	160.70	-	(154.37)	17.59	(46.66)	183.44	-
	Outstanding – Restructured facility										
	Amount	(32.46)	(0.04)	(52.25)	85.02	-	(32.46)	(0.04)	(58.03)	90.53	-
Outstanding – Other facility											
Provision thereon	-	-	-	-	-	-	-	-	-	-	
Write-offs of restructured accounts during the FY ^{4,5,6}	No. of borrowers	(7)	(1)	(203)	(88)	(299)	(7)	(1)	(215)	(91)	(314)
	Amount	(4.24)	(0.20)	(328.83)	(151.67)	(484.94)	(10.91)	(0.20)	(1,204.67)	(201.21)	(1,416.99)
	Outstanding – Restructured facility										
	Amount	(0.11)	(0.07)	(32.52)	(3.75)	(36.45)	(0.11)	(0.07)	(298.40)	(31.57)	(330.15)
Outstanding – Other facility											
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	745	103	33	5	886	749	103	37	9	898
	Amount	690.09	16.79	3,284.63	159.69	4,151.20	957.72	16.79	3,752.56	257.55	4,984.62
	Outstanding – Restructured facility										
	Amount	19.47	0.14	1,310.61	85.02	1,415.24	20.02	0.14	1,400.02	120.78	1,540.96
Outstanding – Other facility											
Provision thereon	10.54	-	2.08	-	12.62	16.60	-	2.08	-	18.67	

Amount outstanding under restructuring facilities and other facilities is as on 31 March, 2019:

1. Amount reported here represents outstanding as on 31 March, 2019. Actual amount subjected to restructuring determined as on the date of approval of restructuring proposal is ₹285.58 crores for the FY 2018-19
2. Includes ₹12.56 crores of fresh/additional sanction to existing restructured accounts (entirely under restructured facility)
3. Includes accounts which were not attracting higher provisioning and/or additional risk weight at the beginning of FY
4. Includes accounts partially written-off during the year
5. Amount outstanding under restructuring facilities and other facilities is as on the date of write-off in the books
6. Includes ₹212.80 crores of reduction from existing restructured accounts by way of sale/recovery (₹151.00 crores from restructured facility and ₹61.80 crores from other facility)
7. The cumulative value of net restructured advances after reducing the provision held for diminution in fair value and balance in interest capitalization account upto 31 March, 2019 aggregated ₹886.54 crores
8. Information appearing under substandard, doubtful and loss category also include accounts slipped into NPAs from restructured standard advances along with restructured NPAs

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2.1.25 Details of MSME advances subjected to restructuring:

(₹ in crores)

Particulars	As at 31 March, 2020	As at 31 March, 2019
No. of accounts restructured	9	-
Amount outstanding	16.35	-

2.1.26 Disclosure with regard to implementation of resolution plan as required under RBI circular of 7 June, 2019 on Prudential Framework for Resolution of Stressed Assets:

(₹ in crores)

Particulars	Resolution plan implemented	Resolution plan not implemented
No. of borrowers where timeline for implementation of resolution plan was before 31 March, 2020 (without reckoning the extended resolution period provided through the RBI circular of 17 April, 2020)	6	35
Fund based outstanding as on 31 March, 2020*	640.09	8,185.42
Additional provisions held as per RBI circular of 7 June, 2019		474.89

* excluding outstanding for cases which have been subject to prudential write-off and outstanding in equity shares

2.1.27 Disclosure in respect of Interest Rate Swaps ('IRS'), Forward Rate Agreement ('FRA') and Cross Currency Swaps ('CCS') outstanding is set out below:

An 'IRS' is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR) and LIBOR of various currencies.

A 'FRA' is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is London Inter-Bank Offered Rate (LIBOR) of various currencies.

A 'CCS' is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for an equally valued interest payments and principal in another currency.

(₹ in crores)

Sr. No.	Items	As at 31 March, 2020	As at 31 March, 2019
i)	Notional principal of swap agreements	301,276.40	236,685.35
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	6,935.72	4,223.33
iii)	Collateral required by the Bank upon entering into swaps	837.94	523.97
iv)	Concentration of credit risk arising from the swaps		
	Maximum single industry exposure with Banks (previous year with Banks)		
	- Interest Rate Swaps/FRAs	3,890.55	2,201.10
	- Cross Currency Swaps	4,196.42	3,112.72
v)	Fair value of the swap book (hedging & trading)		
	- Interest Rate Swaps/FRAs	(588.68)	(794.06)
	- Currency Swaps	907.85	1,475.34

The nature and terms of the IRS as on 31 March, 2020 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	30	12,446.90	LIBOR	Fixed Receivable v/s Floating Payable
Hedging	2	3,783.25	LIBOR	Floating Receivable v/s Fixed Payable
Trading	217	34,240.79	LIBOR	Fixed Receivable v/s Floating Payable
Trading	825	41,163.33	MIBOR	Fixed Receivable v/s Floating Payable
Trading	646	42,574.00	MIFOR	Fixed Receivable v/s Floating Payable
Trading	11	1,000.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	289	41,341.57	LIBOR	Floating Receivable v/s Fixed Payable
Trading	890	42,921.23	MIBOR	Floating Receivable v/s Fixed Payable
Trading	363	26,472.00	MIFOR	Floating Receivable v/s Fixed Payable
Trading	28	8,852.81	LIBOR	Floating Receivable v/s Floating Payable
Trading	4	64.69	LIBOR	Pay Cap
Trading	4	64.69	LIBOR	Receive Cap
	3,309	254,925.26		

The nature and terms of the IRS as on 31 March, 2019 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	33	12,413.32	LIBOR	Fixed Receivable v/s Floating Payable
Hedging	2	1,901.76	LIBOR	Floating Receivable v/s Fixed Payable
Trading	3	175.00	INBMK	Fixed Receivable v/s Floating Payable
Trading	250	36,486.34	LIBOR	Fixed Receivable v/s Floating Payable
Trading	564	34,822.66	MIBOR	Fixed Receivable v/s Floating Payable
Trading	380	20,724.00	MIFOR	Fixed Receivable v/s Floating Payable
Trading	18	1,559.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	285	43,149.73	LIBOR	Floating Receivable v/s Fixed Payable
Trading	597	30,858.54	MIBOR	Floating Receivable v/s Fixed Payable
Trading	183	9,945.00	MIFOR	Floating Receivable v/s Fixed Payable
Trading	16	3,679.05	LIBOR	Floating Receivable v/s Floating Payable
Trading	4	106.33	LIBOR	Pay Cap
Trading	4	111.51	LIBOR	Receive Cap
	2,339	195,932.24		

The nature and terms of the FRA as on 31 March, 2020 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
-	-	-	-	-
-	-	-	-	-

The nature and terms of the FRA as on 31 March, 2019 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
-	-	-	-	-
-	-	-	-	-

The nature and terms of the CCS as on 31 March, 2020 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	77	8,094.31	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	85	8,709.42	LIBOR	Fixed Receivable v/s Floating Payable
Trading	69	13,381.28	LIBOR	Floating Receivable v/s Fixed Payable
Trading	29	10,380.16	LIBOR/MIFOR/ MIBOR	Floating Receivable v/s Floating Payable
Trading	38	4,197.61	Principal Only	Fixed Receivable
Trading	13	1,588.36	Principal Only	Fixed Payable
	311	46,351.14		

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The nature and terms of the CCS as on 31 March, 2019 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	93	7,416.32	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	74	7,294.53	LIBOR	Fixed Receivable v/s Floating Payable
Trading	70	11,333.58	LIBOR	Floating Receivable v/s Fixed Payable
Trading	13	6,694.33	LIBOR/MIFOR/ MIBOR	Floating Receivable v/s Floating Payable
Trading	48	4,932.27	Principal Only	Fixed Receivable
Trading	32	3,082.09	Principal Only	Fixed Payable
	330	40,753.12		

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March, 2020 are set out below:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2020
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	EDM9 – 90 Days Euro Futures – June 2019	1,513.30
	TUM9 – 2 years US Note – June 2019	1,876.49
	FVM9 – 5 years US Note – June 2019	3,238.46
	TYM9 – 10 years US Note – June 2019	2,148.89
	TUU9 – 2 years US Note – September 2019	1,059.31
	FVU9 – 5 years US Note – September 2019	1,436.12
	TYU9 – 10 years US Note – September 2019	272.39
	TUZ9 – 2 years US Note – December 2019	251.21
	FVZ9 – 5 years US Note – December 2019	768.76
	TYZ9 – 10 years US Note – December 2019	295.09
	TUH0 – 2 years US Note – March 2020	142.25
	FVH0 – 5 years US Note – March 2020	567.49
	TYH0 – 10 years US Note – March 2020	606.83
	TUM0 – 2 years US Note – June 2020	27.24
	FVM0 – 5 years US Note – June 2020	308.71
	TYM0 – 10 years US Note – June 2020	172.52
	EDM0 – 90 Days Euro Futures – June 2020	1,543.57
		16,228.63
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2020	
	TUM0 – 2 Years US Note – June 2020	27.24
	FVM0 – 5 Years US Note – June 2020	151.33
	TYM0 – 10 Years US Note – June 2020	142.25
		320.82
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2020 and “not highly effective”	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2020 and “not highly effective”	N.A.

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March, 2019 are set out below:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2019
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	717GS2028 – 7.17% GOI 2028	77.28
	FVM8 – 5 years US Note – June 2018	69.15
	TYM8 – 10 years US Note – June 2018	345.77
	FVU8 – 5 years US Note – September 2018	459.19
	TYU8 – 10 years US Note – September 2018	1,136.91
	TYZ8 – 10 years US Note – December 2018	1,569.82

(₹ in crores)

Sr. No. Particulars	As at 31 March, 2019
FVZ8 – 5 years US Note – December 2018	1,064.99
EDZ8 – 90 Days Euro Futures – December 2018	5,532.40
EDM9 – 90 Days Euro Futures – June 2019	2,863.02
TUZ8 – 2 years US Note – December 2018	276.62
EDZ9 – 90 Days Euro Futures – December 2019	9,681.70
TYH9 – 10 years US Note – March 2019	3,380.30
FVH9 – 5 Years US Note – March 2019	7,898.88
TUH9 – 2 Years US Note – March 2019	926.68
TUM9 – 2 Years US Note – June 2019	110.65
FVM9 – 5 Years US Note – June 2019	2,636.19
TYM9 – 10 Years US Note – June 2019	207.46
EDZ0 – 90 Days Euro Futures – December 2020	2,766.20
	41,003.21
ii) Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2019	
FVM9 – 5 Years US Note – June 2019	818.79
TUM9 – 2 Years US Note – June 2019	82.99
	901.78
iii) Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2019 and “not highly effective”	N.A.
iv) Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2019 and “not highly effective”	N.A.

The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2020 and 31 March, 2019.

2.1.28 Disclosure on risk exposure in Derivatives

Qualitative disclosures:

- (a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes over the counter and Exchange Traded derivative transactions for Balance Sheet management and also for proprietary trading/market making whereby the Bank offers OTC derivative products to the customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines.

Proprietary trading includes Exchange Traded Currency Options, Interest Rate Futures, Currency Futures and Rupee Interest Rate Swaps under different benchmarks (viz. MIBOR, MIFOR and INBMK), Currency Options and Currency Swap. The Bank also undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps, Currency Option, Interest Rate Swap and Long Term Forex Contracts (LTFX) for hedging its Balance Sheet and also offers them to its customers. These transactions expose the Bank to various risks, primarily credit, market, legal, reputation and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

There is a functional separation between the Treasury Front Office, Treasury Mid Office and Treasury Back Office to undertake derivative transactions. The customer and interbank related derivative transaction are originated by Derivative sales and Treasury Front Office team respectively which ensures compliance with the trade origination requirements as per the bank's policy and the RBI guidelines. The Market Risk Group within the Bank's Risk Department independently identifies measures and monitors the market risks associated with derivative transactions and appraises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) on the compliance with the risk limits. The Treasury Back Office undertakes activities such as trade validation, confirmation, settlement, ISDA documentation, accounting, valuation and other MIS reporting.

The derivative transactions are governed by the Derivative policy, Suitability and Appropriateness Policy for derivative products, Market risk management policy, Hedging policy and the Asset Liability Management (ALM) policy of the Bank as well as by the extant RBI guidelines. The Bank has implemented policy on customer suitability & appropriateness to ensure that derivatives transactions entered into are appropriate and suitable to the customer. The Bank has put in place a detailed process flow on documentation for customer derivative transactions for effective management of operational/reputation/compliance risk.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. These limits are set up taking into account market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, VaR, Stop Loss, Delta, Gamma and Vega. Actual positions are monitored against these limits on a daily basis and breaches, if any, are dealt with in accordance with board approved Risk Appetite Statement. Risk assessment of the portfolio is undertaken periodically. The Bank ensures that the Gross PV01 (Price value of a basis point) position arising out of all non-option rupee derivative contracts are within 0.25% of net worth of the Bank as on Balance Sheet date.

Hedging transactions are undertaken by the Bank to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item. These deals are accounted on an accrual basis except the swap designated with an asset/liability that is carried at market value or lower of cost or market value. In that case, the swap is marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. These transactions are tested for hedge effectiveness and in case any transaction fails the test, the same is re-designated as a trading deal and appropriate accounting treatment is followed.

- (b) Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts

The Hedging Policy of the Bank governs the use of derivatives for hedging purpose. Subject to the prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for in accordance with the hedge accounting principles. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the Profit and Loss Account. The premium on option contracts is accounted for as per FEDAI guidelines. Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties. The exposure on account of derivative transactions is computed as per the RBI guidelines and is marked against the credit limits approved for the respective counterparties.

- (c) Provisioning, collateral and credit risk mitigation

Derivative transactions comprise of swaps, FRAs, futures, forward contracts and options which are disclosed as contingent liabilities. Trading swaps/FRAs/futures/options/forward contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets or other liabilities respectively. Hedged swaps are accounted for as per the RBI guidelines. In accordance with RBI guidelines, any receivables (crystallised receivables and positive MTM) under derivatives contracts, which remain overdue for more than 90 days, are reversed through the Profit and Loss Account and are held in a separate Suspense account.

Collateral requirements for derivative transactions are laid down as part of credit sanction terms on a case by case basis. Such collateral requirements are determined, based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

The credit risk in respect of customer derivative transactions is sought to be mitigated through a laid down policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalation/margin calls/termination.

Quantitative disclosure on risk exposure in derivatives¹:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2020			
		Currency Derivatives			Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	
1	Derivatives (Notional Principal Amount)				
	a) For hedging	43,612.28	-	-	16,230.14
	b) For trading	412,366.46	46,351.14	45,114.10	238,695.12
2	Marked to Market Positions²				
	a) Asset (+)	7,665.93	3,077.72	1,676.86	3,692.90
	b) Liability (-)	(7,228.49)	(2,169.87)	(1,620.33)	(4,428.26)
3	Credit Exposure³	21,166.53	7,811.75	1,373.69	6,428.92
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2020)				
	a) on hedging derivatives	12.33	-	-	1.32
	b) on trading derivatives	12.31	5.77	13.02	52.98
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	i) Minimum	3.94	-	-	1.27
	ii) Maximum	12.33	-	-	31.49
	b) on Trading				
	i) Minimum	0.30	2.25	10.67	52.33
	ii) Maximum	12.31	10.79	57.72	68.11

1. only Over The Counter derivatives included

2. only on trading derivatives

3. includes accrued interest

4. excluding Tom/Spot contracts

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2019			
		Currency Derivatives			Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	
1	Derivatives (Notional Principal Amount)				
	a) For hedging	56,970.61	-	-	14,315.09
	b) For trading	272,683.15	40,753.12	46,404.77	181,617.15
2	Marked to Market Positions²				
	a) Asset (+)	3,764.51	2,698.28	1,485.72	1,509.36
	b) Liability (-)	(3,907.80)	(1,222.94)	(1,425.22)	(2,146.16)
3	Credit Exposure³	13,477.22	6,709.64	1,603.96	3,743.38
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2019)				
	a) on hedging derivatives	3.81	-	-	49.80
	b) on trading derivatives	8.76	2.56	298.94	57.93
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	i) Minimum	1.02	-	-	29.67
	ii) Maximum	12.34	-	-	60.55
	b) on Trading				
	i) Minimum	0.56	2.46	20.91	53.63
	ii) Maximum	8.76	5.71	306.14	78.97

1. only Over The Counter derivatives included

2. only on trading derivatives

3. includes accrued interest

4. excluding Tom/Spot contracts

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The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2020 was Nil (previous year Nil) and the mark-to-market value was Nil (previous year Nil).

2.1.29 Details of penalty/stricture levied by RBI:

No penalty/stricture has been imposed by RBI on the Bank during the year ended 31 March, 2020.

Details of penalty/stricture levied by RBI during the year ended 31 March, 2019 is as under:

Amount (₹ in crores)	Reason for stricture issued/ levy of penalty by RBI	Date of payment of penalty
2.00	Non-compliance of RBI guidelines related to 'Collection of Account Payee Cheques - Prohibition on Crediting proceeds to Third Party Account' and Master Directions on 'Frauds- Classification and Reporting by commercial banks and select FIs'. Penalty was imposed in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949	16 February, 2019
0.20	Non-compliance of RBI guidelines related to 'Detection and Impounding of Counterfeit Notes' and 'Sorting of Notes - Installation of Note Sorting Machines'. Penalty was imposed in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949	5 February, 2019
-	Caution letter issued by RBI on 25 February, 2019 for non compliance of RBI directives on time bound implementation and strengthening of SWIFT related operational controls	-

2.1.30 Disclosure of customer complaints

(a) Disclosure of customer complaints relating to Bank's customers on Bank's ATMs

	31 March, 2020	31 March, 2019
a. No. of complaints pending at the beginning of the year	-	284
b. No. of complaints received during the year	55,475	115,737
c. No. of complaints redressed during the year	55,475	116,021
d. No. of complaints pending at the end of the year	-	-

(b) Disclosure of customer complaints relating to Bank's customers on other bank's ATMs

	31 March, 2020	31 March, 2019
a. No. of complaints pending at the beginning of the year	-	2,360
b. No. of complaints received during the year	80,699	105,110
c. No. of complaints redressed during the year	80,699	107,470
d. No. of complaints pending at the end of the year	-	-

(c) Disclosure of customer complaints other than ATM transaction complaints

	31 March, 2020	31 March, 2019
a. No. of complaints pending at the beginning of the year	1,217	24,456
b. No. of complaints received during the year	64,310	78,442
c. No. of complaints redressed during the year	64,562	101,681
d. No. of complaints pending at the end of the year	965	1,217

(d) Total customer complaints

	31 March, 2020	31 March, 2019
a. No. of complaints pending at the beginning of the year	1,217	27,100
b. No. of complaints received during the year	200,484	299,289
c. No. of complaints redressed during the year	200,736	325,172
d. No. of complaints pending at the end of the year	965	1,217

The above information does not include complaints redressed within 1 working day and is as certified by the Management and relied upon by the auditors.

2.1.31 Disclosure of Awards passed by the Banking Ombudsman

	31 March, 2020	31 March, 2019
a. No. of unimplemented awards at the beginning of the year	-	-
b. No. of awards passed by the Banking Ombudsman during the year	-	-
c. No. of awards implemented during the year	-	-
d. No. of unimplemented awards at the end of the year	-	-

The above information is as certified by the Management and relied upon by the auditors.

2.1.32 Draw Down from Reserves

During the year ended 31 March, 2020 the Bank has not undertaken any draw from reserves, except towards issue expenses incurred for equity raising through Qualified Institutional Placement and conversion of share warrants, which has been adjusted against the share premium account.

During the year ended 31 March, 2019 the Bank has made a draw down out of the Investment Reserve account towards depreciation on investments in AFS and HFT categories in terms of RBI guidelines.

2.1.33 Letter of Comfort

The Bank has not issued any Letter of Comfort on behalf of its subsidiaries during the current and previous year.

2.1.34 Disclosure on Remuneration

Qualitative disclosures

a) Information relating to the bodies that oversee remuneration:

✂ Name, composition and mandate of the main body overseeing remuneration:

The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the compensation policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks.

As at 31 March, 2020, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Shri Rohit Bhagat - Chairman
2. Shri Rakesh Makhija
3. Shri Stephen Pagliuca

In respect of Remuneration/HR matters, the Nomination and Remuneration Committee of the Board, functions with the following main objectives:

- a. Review and recommend to the Board for approval, the overall remuneration framework and associated policy of the Bank (including remuneration policy for Directors and key managerial personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTD) and senior managers one level below the Board.
 - b. Recommend to the Board the compensation payable to the Chairman of the Bank.
 - c. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers' one level below the Board and other key roles and their progression to the Board.
 - d. Formulate the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Bank, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.
 - e. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, WTDs and Group Executives for the financial year and over the medium to long term. Review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, ethics, conflict of interest, succession planning, talent management, performance management, remuneration and HR risk management.
 - f. Review and recommend to the Board for approval:
 - the creation of new positions one level below MD & CEO
 - appointments, promotions and exits of senior managers one level below the MD & CEO
 - g. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, WTDs and Group Executives for the financial year and over the medium to long term.
 - h. Review the performance of the MD & CEO and other WTDs at the end of each year.
 - i. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.
- ✘ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:

The Nomination and Remuneration Committee has commissioned Aon Hewitt, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon Hewitt every year. Aon Hewitt collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to Bank employees.

- ✘ A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to foreign subsidiaries and branches:

The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.

- ✂ A description of the type of employees covered and number of such employees:

Employees are categorised into following three categories from remuneration structure and administration standpoint:

Category 1

MD & CEO and WTDs. This category includes 4 employees.

Category 2

All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance. This category includes 34 employees.

Category 3: Other Staff

'Other Staff' has been defined as a "group of employees who pose a material risk". This category includes all the employees of the Bank in the grade of Executive Vice President (EVP) and above and also few other key business roles in case they are below the grade of Executive Vice President. This category includes 46 employees.

- b) Information relating to the design and structure of remuneration processes:

- ✂ An overview of the key features and objectives of remuneration policy:

The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:

- Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness
- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Options for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for MD & CEO and WTDs is aligned to RBI's guidelines for sound compensation practices (effective FY 2012-13) and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudent risk-taking through well designed and consistent compensation structures
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders

Accordingly, the compensation policy for MD & CEO and WTDs seeks to:

- a) Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks
- b) Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank

- c) Include an appropriate variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking
- d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

Compensation is structured in terms of fixed pay, variable pay and employee stock options (for selective employees), with a strong linkage of variable pay to performance. The compensation policy of the Bank is approved by the Nomination and Remuneration Committee. Additional approval from Shareholders and RBI is obtained specifically for compensation of MD & CEO and WTDs.

- ✘ Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

There were no changes made in the remuneration policy for FY 2019-20.
- ✘ A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:

The Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the Balanced Scorecard / key deliverables of staff in these functions. The parameters reviewed for performance based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation.
- c) Description of the ways in which current and future risks are taken into account in the remuneration processes:
 - ✘ An overview of the key risks that the Bank takes into account when implementing remuneration measures:

The business activity of the Bank is undertaken within the limits of the following risk measures to achieve the financial plan. The Financial Perspective in the Bank's BSC contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non - financial risk that bank may be exposed to.
 - ✘ An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:

The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the Balanced Scorecard used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.
 - ✘ A discussion of the ways in which these measures affect remuneration:

The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.
 - ✘ A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:

The Bank continued to track key metrics across financial, customer, internal process and compliance and people perspective as part of FY20 BSC. During FY2019-20, metrics on digitizing customer journeys and strengthening of internal processes were incorporated to reinforce focus on delivering superior customer experience. Further, critical deliverables were included to drive progress on the Bank's GPS strategy.

- d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:

The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The non-financial goals for employees includes customer service, process improvement, adherence to risk and compliance norms, operations and process control, learning and knowledge development.

- ✂ An overview of main performance metrics for Bank, top level business lines and individuals:

The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals. The approach broadly comprises financial, customer, internal processes, compliance, and people perspectives and includes parameters on revenue and profitability, business growth, customer initiatives, operational efficiencies, regulatory compliance, risk management and people management.

- ✂ A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:

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

The Bank follows a Balanced Scorecard approach for measuring performance at senior levels. The Balanced Scorecard parameters for individuals are cascaded from the Bank's Balanced Scorecard. The Management Committee or the Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals. For all other employees, performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay and ESOPs are linked to the final performance ratings.

- ✂ A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak:

In cases where the performance metrics are weak or not well defined to measure the performance effectively, the Bank uses discretion to reward such employees. The remuneration is then influenced by the operational performance parameters of the Bank along with individual performance achievement.

Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees. The Financial Perspective in the Bank's BSC contains metrics pertaining to

growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to.

As a prudent measure, a portion of variable pay if it exceeds a certain threshold is deferred and is paid proportionately over a period of 3 years. The deferred variable pay amount of reference year would be held back in case of any misrepresentation or gross inaccuracy resulting in a wrong risk assessment.

- e) Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance:

- ✘ A discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

The deferral of the Variable Pay for the three categories of employees as stated earlier is given below:

Category 1: MD & CEO and WTDs

Variable Pay will not exceed 70% of the Fixed Pay

To ensure that risk measures do not focus only on achieving short term goals, variable payout is deferred. If the variable pay exceeds 40% of fixed pay, 45% of the variable pay to be deferred proportionately over a period of three years.

Category 2: All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance

- Variable Pay will be paid on the basis of laid down risk control, compliance and process improvement parameters in the balanced scorecard / key deliverables of staff in this function
- The parameters will be independent of performance of the business area they oversee and will commensurate with their key role in the Bank
- The ratio of fixed and variable compensation will be weighed towards fixed compensation
- Percentage of variable pay to be capped at 70% of fixed pay
- Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

Category 3: Other Staff

- Variable Pay will be paid on the basis of performance against key deliverables and overall business performance for the financial year
- Percentage of variable pay to be capped at 70% of fixed pay
- Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

- ✘ A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:

The deferred portion of the variable pay may be delayed in the event of an enquiry determining gross negligence or breach of integrity. The deferred portion is withheld by the Bank till the completion of such enquiries, if any. As a result, no claw back arrangements are made on the deferred portion of the variable pay.

f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms:

✂ An overview of the forms of variable remuneration offered:

- Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees
- Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees

✂ A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

Variable pay in the form of performance based bonus is paid out annually and is linked to performance achievement against balanced performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on profitability and cost income ratios. At senior management levels (and for certain employees with potential to cause material impact on risk exposure), a portion of variable compensation may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. Long term variable pay is administered in the form of ESOPs with an objective of enabling employee participation in the business as an active stakeholder and to usher in an 'owner-manager' culture. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee, in terms of the said Regulations and in line with best practices, subject to the approval of RBI. The current ESOP design has an inbuilt deferral intended to spread and manage risk.

Quantitative disclosures

a) The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and other risk takers for the year ended 31 March, 2020 and 31 March, 2019 are given below. Other risk takers include all employees in the grade of Executive Vice President (EVP) and above and also cover certain select roles in case they are below the grade of EVP.

	31 March, 2020	31 March, 2019
a. i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	6	16
ii) Remuneration paid to its members (sitting fees)	₹1,200,000	₹2,950,000
b. Number of employees having received a variable remuneration award during the financial year	36*	29*
c. Number and total amount of sign-on awards made during the financial year	N.A.	N.A.
d. Number and total amount of guaranteed bonus awarded during the financial year, if any	N.A.	N.A.
e. Details of severance pay, in addition to accrued benefits, if any	N.A.	N.A.
f. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	-	-
g. Total amount of deferred remuneration paid out in the financial year	Nil	₹0.34 crores
h. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used	Fixed - ₹66.53 crores#	Fixed - ₹49.80 crores#
	Variable - ₹14.23 crores*	Variable - ₹9.41 crores*
	Deferred - Nil	Deferred - Nil
	Non-deferred - ₹14.23 crores*	Non-deferred - ₹9.41 crores*
	Number of stock options granted during the financial year - 3,718,000	Number of stock options granted during the financial year - 2,479,000

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	31 March, 2020	31 March, 2019
i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	N.A.	N.A.
j. Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.	N.A.
k. Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.	N.A.

* pertains to FY 2018-19 paid to MD & CEO, WTDs and other risk takers (previous years pertains to FY 2016-17 paid to MD & CEO and WTDs and for FY 2017-18 paid to other risk takers)

Fixed Remuneration includes basic salary, fixed allowance, leave fare concession, house rent allowance, super annuation allowance, certain other allowances, gratuity payout, leave encashment and contribution towards provident fund and superannuation fund. Payments in nature of reimbursements have been excluded from fixed remuneration.

b) Disclosure for compensation of Non-executive Directors (Except Part-time Chairman):

	31 March, 2020	31 March, 2019
a. Amount of remuneration paid during the year (pertains to preceding year)	0.95	-

(₹ in crores)

2.1.35 The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by the Bank are as under:

Sr. No.	Nature of Income	31 March, 2020	31 March, 2019
1.	For selling life insurance policies	692.02	640.50
2.	For selling non-life insurance policies	76.17	68.62
3.	For selling mutual fund products	291.94	416.09
4.	Others (wealth advisory, RBI and other bonds etc.)	57.07	99.11
Total		1,117.20	1,224.32

(₹ in crores)

2.1.36 The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.

2.1.37 Amount of total assets, non-performing assets and revenue of overseas branches is given below:

Particulars	31 March, 2020	31 March, 2019
Total assets	53,673.52	47,941.15
Total NPAs	4,420.07	3,727.06
Total revenue	2,058.04	3,416.09

(₹ in crores)

2.1.38 During the years ended 31 March, 2020 and 31 March, 2019 the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities and sales to RBI under OMO auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

2.1.39 Disclosure on transfers to Depositor Education and Awareness Fund (DEAF)

Particulars	31 March, 2020	31 March, 2019
Opening balance of amounts transferred to DEAF	161.53	97.14
Add : Amounts transferred to DEAF during the year	73.92	66.85
Less : Amounts reimbursed by DEAF towards claims	(2.94)*	(2.46)*
Closing balance of amounts transferred to DEAF	232.51	161.53

(₹ in crores)

*includes ₹0.38 crores (previous year ₹0.16 crores) of claim raised and pending settlement with RBI

2.1.40 Disclosure on Intra-Group Exposures

(₹ in crores)		
Particulars	31 March, 2020	31 March, 2019
Total amount of intra-group exposures	3,377.94	6,895.64
Total amount of top-20 intra-group exposures	3,377.89	6,895.64
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	0.31	0.85

During the years ended 31 March, 2020 and 31 March, 2019, the intra-group exposures were within the limits specified by RBI.

The above information is as certified by the Management and relied upon by the auditors.

2.1.41 Unhedged Foreign Currency Exposure

The Bank's Corporate Credit Policy lays down the framework to manage credit risk arising out of unhedged foreign currency exposures of the borrowers. Both at the time of initial approval as well as subsequent reviews/renewals, the assessment of credit risk arising out of foreign currency exposure of the borrowers include details of imports, exports, repayments of foreign currency borrowings, as well as hedges done by the borrowers or naturally enjoyed by them vis-a-vis their intrinsic financial strength, history of hedging and losses arising out of foreign currency volatility. The extent of hedge/cover required on the total foreign currency exposure including natural hedge and hedged positions, is guided through a matrix of internal ratings. The hedging policy is applicable for existing as well as new clients with foreign currency exposures above a predefined threshold. The details of un-hedged foreign currency exposure of customers for transactions undertaken through the Bank are monitored periodically. The Bank also maintains additional provision and capital, in line with RBI guidelines.

During the year ended 31 March, 2020, the Bank made write back of provision of ₹10.68 crores (previous year provision made of ₹18.79 crores) towards un-hedged foreign currency exposures. As on 31 March, 2020, the Bank held cumulative provision towards un-hedged foreign currency exposures of ₹120.21 crores (previous year ₹130.89 crores).

As on 31 March, 2020, the Bank held incremental capital of ₹490.15 crores (previous year ₹191.52 crores) towards borrowers having un-hedged foreign currency exposures.

2.1.42 Disclosure on provisioning pertaining to fraud accounts*

(₹ in crores)		
Particulars	31 March, 2020	31 March, 2019
Number of frauds reported during the year**	52	145
Amounts involved	2,030.60	529.04
Provisions held at the beginning of the year	752.23	353.96
Provisions made during the year	1,272.93	172.45
Balance held in interest capitalisation accounts	5.44	2.63
Provisions held at the end of the year	2,030.60	529.04
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

* disclosure covers only frauds relating to advances

** excluding 72 cases (previous year 22 cases) amounting to ₹2,515.37 crores (previous year ₹540.46 crores) reported as fraud during the year and subsequently prudentially written off within the financial year

2.1.43 Disclosure on provisioning pertaining to Land held under 'Non-Banking assets acquired in satisfaction of claims'

(₹ in crores)		
Particulars	31 March, 2020	31 March, 2019
Amount of Land held under 'Non-Banking assets acquired in satisfaction of claims'*	2,068.24	2,208.61
Provisions made during the year by debiting profit and loss account	1,605.28	603.33
Provisions reversed during the year*	(140.37)	-
Provisions held at the end of the year by debiting profit and loss account	2,068.24	603.33
Unamortised provision debited from 'Balance in profit and loss account' under 'Reserves and Surplus'	-	1,605.28

* during the year Bank sold a parcel of land with a book value of ₹140.37 crores

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2.1.44 Detail of Priority Sector Lending Certificates (PSLC) purchased by the Bank are set out below:

(₹ in crores)

Category	31 March, 2020	31 March, 2019
PSLC – Small & Micro Farmers	23,830.00	-
PSLC – General	9,900.00	17,470.00
PSLC – Micro Enterprises	8,790.50	2,375.00
PSLC – Agriculture	5,800.00	-
Total	48,320.50	19,845.00

Details of PSLCs sold by the Bank are set out below:

(₹ in crores)

Category	31 March, 2020	31 March, 2019
PSLC – General	44,320.00	385.00
PSLC - Micro Enterprises	4,000.00	-
Total	48,320.00	385.00

2.1.45 Disclosure on Liquidity Coverage Ratio

Qualitative disclosure

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR maintenance to Board oversight and periodical review. The Bank computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the Risk Management Committee of the Board.

The Bank computes LCR on a daily basis and in accordance with RBI guidelines the quarterly disclosures of LCR contain data on the simple average calculated on daily observations over a period of 90 days.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities viz. Treasury Bills, Central and State Government securities. A relatively smaller part of HQLA is accounted for by the corporate bonds with mandated haircuts applied thereto.

The Bank monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the asset liability management framework. The Bank adheres to the regulatory and internal limits on Inter-bank liability and call money borrowings which form part of the ALM policy. The Bank's funding sources are fairly dispersed across sources and maturities.

Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies. Cash flows, if any, from collaterals posted against derivatives are not considered.

Apart from the LCR position in all currencies put together, the Bank monitors the LCR in US Dollar currency which qualifies as a significant currency as per RBI guidelines.

The liquidity risk management of the Bank is undertaken by the Asset Liability Management group in the Treasury in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review.

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

Quantitative disclosure

(₹ in crores)

	Quarter ended 31 March, 2020		Quarter ended 31 December, 2019		Quarter ended 30 September, 2019		Quarter ended 30 June, 2019		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)	1,53,367.16		136,689.42		131,204.91		131,403.54	
Cash Outflows									
2	Retail Deposits and deposits from small business customers, of which:	343,438.06	29,290.56	332,402.80	30,483.28	316,993.94	29,016.38	308,585.60	28,213.84
	(i) Stable Deposits	101,064.99	5,053.25	55,139.77	2,756.99	53,660.26	2,683.01	52,894.53	2,644.73
	(ii) Less Stable Deposits	242,373.07	24,237.31	277,263.03	27,726.29	263,333.68	26,333.37	255,691.07	25,569.11
3	Unsecured wholesale funding, of which :	188,919.86	106,484.32	173,900.62	87,383.69	158,269.16	79,179.07	163,736.68	82,229.45
	(i) Operational deposits (all counterparties)	12,446.47	3,091.07	40,926.39	10,219.61	40,975.45	10,232.28	45,252.80	11,301.58
	(ii) Non-operational deposits (all counterparties)	176,473.39	103,393.25	132,974.23	77,164.08	117,293.71	68,946.79	118,483.88	70,927.87
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		205.42		30.76		-		-
5	Additional requirements, of which:	41,661.37	37,484.42	29,064.70	23,845.67	29,973.51	24,432.21	31,272.56	25,562.49
	(i) Outflows related to derivative exposures and other collateral requirements	35,283.57	35,283.57	20,856.03	20,856.03	19,769.56	19,769.56	24,356.76	24,356.76
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	6,377.80	2,200.85	8,208.67	2,989.64	10,203.95	4,662.65	6,915.80	1,205.73
6	Other contractual funding obligations	5,186.45	5,186.45	5,329.08	5,329.08	5,567.56	5,567.56	5,993.94	5,993.94
7	Other contingent funding obligations	259,508.03	10,958.57	260,446.40	10,975.47	263,394.18	11,116.33	240,539.04	9,882.59
8	Total Cash Outflows		189,609.74		158,047.95		149,311.55		151,882.31
Cash Inflows									
9	Secured lending (eg. reverse repo)	28,920.03	-	15,742.82	-	6,085.12	-	7,475.08	-
10	Inflows from fully performing exposures	29,834.23	20,486.21	26,837.93	18,100.37	29,440.23	21,375.26	32,929.08	23,639.66
11	Other cash inflows	33,896.15	33,896.15	19,463.48	19,463.48	18,595.27	18,595.27	23,694.78	23,694.78
12	Total Cash Inflows	92,650.41	54,382.36	62,044.23	37,563.85	54,120.62	39,970.53	64,098.94	47,334.44
	Total adjusted Value								
21	Total HQLA		153,367.16		136,689.42		131,204.91		131,403.54
22	Total Net Cash Outflows		135,227.38		120,484.10		109,341.02		104,547.87
23	Liquidity Coverage Ratio %		113.41%		113.45%		120.00%		125.69%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter.
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.
- 3) In compliance with the RBI directive received, the Bank has computed LCR as per the revised definition of 'Operational Deposits' with effect from 20 December, 2019. As a result, the LCR for the quarter ended 31 March, 2020 is strictly not comparable with the LCR reported for previous quarters.

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		(₹ in crores)							
		Quarter ended 31 March, 2019		Quarter ended 31 December, 2018		Quarter ended 30 September, 2018		Quarter ended 30 June, 2018	
		Total Unweighted Value (average)	Total Weighted Value (average)						
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)		122,173.58		112,336.65		98,417.24		82,905.66
Cash Outflows									
2	Retail Deposits and deposits from small business customers, of which:	288,756.01	26,298.55	276,752.92	25,082.62	262,954.38	23,773.05	250,441.74	22,587.17
	(i) Stable Deposits	51,541.11	2,577.06	51,853.44	2,592.67	50,447.68	2,522.38	49,140.03	2,457.00
	(ii) Less Stable Deposits	237,214.90	23,721.49	224,899.48	22,489.95	212,506.70	21,250.67	201,301.71	20,130.17
3	Unsecured wholesale funding, of which :	156,131.98	79,803.19	147,846.47	74,665.27	138,551.93	71,267.03	133,534.29	68,572.86
	(i) Operational deposits (all counterparties)	45,839.18	11,448.44	45,614.30	11,396.72	42,070.15	10,511.43	41,286.10	10,315.38
	(ii) Non-operational deposits (all counterparties)	110,292.80	68,354.75	102,232.17	63,268.55	96,481.78	60,775.60	92,248.19	58,257.48
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		489.13		-		1,315.08
5	Additional requirements, of which:	33,663.94	22,274.62	44,959.20	31,958.57	39,442.47	27,091.98	37,859.76	25,588.32
	(i) Outflows related to derivative exposures and other collateral requirements	20,690.63	20,690.63	30,309.69	30,309.69	25,518.93	25,518.93	23,839.39	23,839.39
	(ii) Outflows related to loss of funding on debt products	35.28	35.28	112.93	112.93	179.59	179.59	136.23	136.23
	(iii) Credit and liquidity facilities	12,938.03	1,548.71	14,536.58	1,535.95	13,743.95	1,393.46	13,884.14	1,612.70
6	Other contractual funding obligations	5,481.21	5,481.21	5,347.92	5,347.92	4,303.74	4,241.13	4,115.59	4,025.59
7	Other contingent funding obligations	229,362.92	9,296.33	232,701.55	9,189.17	236,628.98	9,380.16	226,614.14	8,914.06
8	Total Cash Outflows		143,153.90		146,732.68		135,753.34		131,003.08
Cash Inflows									
9	Secured lending (eg. reverse repo)	9,018.11	-	4,657.91	-	3,172.41	-	2,130.44	-
10	Inflows from fully performing exposures	34,209.85	24,150.15	34,751.35	24,671.71	36,368.55	24,909.84	31,469.06	20,819.65
11	Other cash inflows	20,164.89	20,164.89	30,454.88	30,454.88	25,478.59	25,478.59	23,503.92	23,503.92
12	Total Cash Inflows	63,392.85	44,315.04	69,864.14	55,126.59	65,019.55	50,388.43	57,103.42	44,323.57
	Total adjusted Value								
21	Total HQLA		122,173.58		112,336.65		98,417.24		82,905.66
22	Total Net Cash Outflows		98,838.86		91,606.09		85,364.91		86,679.51
23	Liquidity Coverage Ratio %		123.61%		122.63%		115.29%		95.65%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter.
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

2.2 Other disclosures

- 2.2.1 During the year, the Bank has appropriated ₹340.46 crores (previous year ₹124.93 crores) to the Capital Reserve, net of taxes and transfer to Statutory Reserve, being the gain on sale of HTM investments in accordance with RBI guidelines. As advised by RBI, the Bank has also appropriated ₹0.06 crores (previous year ₹0.16 crores) to the Capital Reserve, net of taxes and transfer to Statutory Reserve, being the profit on sale of immovable property.
- 2.2.2 During the year, the Bank has appropriated ₹328.00 crores (previous year ₹600.00 crores) to the Investment Fluctuation Reserve in accordance with RBI guidelines.
- 2.2.3 During the year, the Bank has appropriated ₹0.85 crores (previous year ₹0.63 crores) to Reserve Fund account towards statutory reserve in accordance with guidelines issued by Central Bank of Sri Lanka in respect of Colombo branch operations.
- 2.2.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

Category	31 March, 2020	31 March, 2019
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	1,627.22	4,676.61
Basic weighted average no. of shares (in crores)	271.51	256.90
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	0.98	1.58
Diluted weighted average no. of shares (in crores)	272.49	258.48
Basic EPS (₹)	5.99	18.20
Diluted EPS (₹)	5.97	18.09
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 8,395,776 stock options and 1,420,559 warrants (previous year 9,813,655 stock options and 6,033,509 warrants).

2.2.5 Employee Stock Options Scheme ('the Scheme')

Pursuant to the approval of the shareholders in February 2001, the Bank approved an Employee Stock Option Scheme under which eligible employees are granted an option to purchase shares subject to vesting conditions. Over the period till March 2020, pursuant to the approval of the shareholders, the Bank approved ESOP schemes for options aggregating 265,087,000 that vest in a graded manner over 3 years. The options can be exercised within three/five years from the date of the vesting as the case may be. Within the overall ceiling of 265,087,000 stock options approved for grant by the shareholders as stated earlier, the Bank is authorised to issue options to eligible employees and Whole Time Directors of the subsidiary companies.

259,613,700 options have been granted under the Schemes till the previous year ended 31 March, 2019. Pursuant to the approval of the Nomination and Remuneration Committee on 27 March, 2019, the Bank granted 8,650,150 stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹757.10. Further, during FY2019-20, the Bank granted stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees/directors of the Bank/subsidiary companies, the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
25 April, 2019	430,000	752.85
29 July, 2019	90,000	729.85
21 January, 2020	330,000	727.20

Stock option activity under the Scheme for the year ended 31 March, 2020 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	30,132,874	288.96 to 619.60	465.06	4.13
Granted during the year	9,500,150	727.20 to 757.10	755.61	-
Forfeited during the year	(1,018,650)	306.54 to 757.10	623.71	-
Expired during the year	(950)	288.96	288.96	-
Exercised during the year	(5,947,539)	288.96 to 535.00	397.02	-
Outstanding at the end of the year	32,665,885	306.54 to 757.10	557.01	4.15
Exercisable at the end of the year	20,373,840	306.54 to 757.10	505.98	3.03

The weighted average share price in respect of options exercised during the year was ₹715.09.

Stock option activity under the Scheme for the year ended 31 March, 2019 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	29,554,909	217.33 to 535.00	432.45	4.22
Granted during the year	6,455,000	504.85 to 619.60	516.05	-
Forfeited during the year	(748,700)	306.54 to 535.00	500.67	-
Expired during the year	(22,400)	288.96	288.96	-
Exercised during the year	(5,105,935)	217.33 to 535.00	336.29	-
Outstanding at the end of the year	30,132,874	288.96 to 619.60	465.06	4.13
Exercisable at the end of the year	17,138,224	288.96 to 535.00	436.22	2.87

The weighted average share price in respect of options exercised during the year was ₹623.15.

Fair Value Methodology

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be as follows:

	31 March, 2020	31 March, 2019
Net Profit (as reported) (₹ in crores)	1,627.22	4,676.61
Add: Stock based employee compensation expense included in net income (₹ in crores)	-	-
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	(137.07)	(95.04)
Net Profit (Proforma) (₹ in crores)	1,490.15	4,581.57
Earnings per share: Basic (in ₹)		
As reported	5.99	18.20
Proforma	5.49	17.83
Earnings per share: Diluted (in ₹)		
As reported	5.97	18.09
Proforma	5.47	17.77

During the years ended, 31 March, 2020 and 31 March, 2019, no cost has been incurred by the Bank on ESOPs issued to the employees of the Bank and employees of subsidiaries under the intrinsic value method.

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2020	31 March, 2019
Dividend yield	0.54%	0.76%
Expected life	1.82-3.82 years	2.57-4.57 years
Risk free interest rate	5.99% to 6.96%	7.07% to 7.63%
Volatility	28.07% to 28.60%	28.78% to 30.82%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2020 is ₹200.15 (previous year ₹164.10).

On 18 March, 2020, the Nomination and Remuneration Committee of the Board of Directors of the Bank has approved the grant of upto 12,500,000 stock options to eligible employees. As on 31 March, 2020, there have been no allotments of options under this grant. Accordingly, these options have not been considered in the above disclosure and for disclosure of proforma net profit and EPS under fair value method for FY 2019-20.

2.2.6 Proposed Dividend

The Reserve Bank of India, vide its circular dated 17 April, 2020, has advised that banks shall not make any further dividend payouts from profits pertaining to the financial year ended 31 March, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors of the Bank has not proposed any dividend for the year ended 31 March, 2020.

2.2.7 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified based on the RBI's revised guidelines on Segment Reporting issued on 18 April, 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, money received against share warrants, tax paid in advance net of provision, etc.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense

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on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Effective 1 April, 2019, the Bank has reported inter segment revenue and inter segment expense in the Central Funding Unit (which forms part of Treasury segment) on a net basis as against earlier practice of reporting revenue and expenses on a gross basis. Accordingly, segmental revenue numbers for the previous period have been restated to make them comparable with current period numbers. There is no impact of this change on the segmental profit before tax.

Segmental results are set out below:

(₹ in crores)

	31 March, 2020				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Segment Revenue					
Gross interest income (external customers)	14,574.22	18,538.09	29,522.85	-	62,635.16
Other income	3,988.16	3,852.72	6,453.32	1,242.36	15,536.56
Total income as per Profit and Loss Account	18,562.38	22,390.81	35,976.17	1,242.36	78,171.72
Add/(less) inter segment interest income	4,813.04	6,524.53	25,323.09	0.01	36,660.67
Total segment revenue	23,375.42	28,915.34	61,299.26	1,242.37	114,832.39
Less: Interest expense (external customers)	16,345.72	1,241.93	19,841.31	-	37,428.96
Less: Inter segment interest expense	2,299.55	14,464.23	19,896.23	0.66	36,660.67
Less: Operating expenses	302.09	4,413.50	12,267.84	321.19	17,304.62
Operating profit	4,428.06	8,795.68	9,293.88	920.52	23,438.14
Less: Provision for non-performing assets/others*	2,599.64	9,726.06	4,325.55	0.38	16,651.63
Less: Unallocated Provision for other contingencies#					1,882.28
Segment result	1,828.42	(930.38)	4,968.33	920.14	4,904.23
Less: Provision for tax					3,277.01
Extraordinary profit/loss					-
Net Profit					1,627.22
Segment assets	320,153.31	257,557.11	328,156.61	283.88	906,150.91
Unallocated assets					9,013.91
Total assets					915,164.82
Segment liabilities	291,911.84	132,443.67	403,812.82	63.49	828,231.82
Unallocated liabilities					1,985.15
Total liabilities					830,216.97
Net assets	28,241.47	125,113.44	(75,656.21)	220.39	84,947.85
Capital expenditure for the year	6.89	229.82	624.99	8.66	870.36
Depreciation on fixed assets for the year	6.12	204.10	555.04	7.69	772.95

* represents material non-cash items other than depreciation

represents provision for COVID-19 over and above regulatory requirement, per extant guidelines as on date of adoption of financial statements by the Board

(₹ in crores)

	31 March, 2019				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Segment Revenue					
Gross interest income (external customers)	13,848.40	17,439.94	23,697.43	-	54,985.77
Other income	2,355.65	4,320.54	5,224.37	1,229.78	13,130.34
Total income as per Profit and Loss Account	16,204.05	21,760.48	28,921.80	1,229.78	68,116.11
Add/(less) inter segment interest income	6,680.96	6,175.11	20,249.77	0.01	33,105.85
Total segment revenue	22,885.01	27,935.59	49,171.57	1,229.79	101,221.96
Less: Interest expense (external customers)	16,884.94	1,170.08	15,222.58	-	33,277.60
Less: Inter segment interest expense	3,048.35	13,520.57	16,536.06	0.87	33,105.85
Less: Operating expenses	414.52	3,800.03	11,265.40	353.45	15,833.40
Operating profit	2,537.20	9,444.91	6,147.53	875.47	19,005.11
Less: Provision for non-performing assets/others*	690.12	9,026.31	2,248.59	66.00	12,031.02
Segment result	1,847.08	418.60	3,898.94	809.47	6,974.09
Less: Provision for tax					2,297.48
Extraordinary profit/loss					-
Net Profit					4,676.61
Segment assets	283,985.76	238,692.89	268,642.17	337.05	791,657.87
Unallocated assets					9,338.66
Total assets					800,996.53
Segment liabilities	274,441.80	129,036.23	329,975.67	53.89	733,507.59
Unallocated liabilities					812.64
Total liabilities					734,320.23
Net assets	9,543.96	109,656.66	(61,333.50)	283.16	66,676.30
Capital expenditure for the year	15.52	200.43	674.32	14.80	905.07
Depreciation on fixed assets for the year	12.17	157.17	528.78	11.60	709.72

*represents material non-cash items other than depreciation

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Revenue	76,113.68	64,700.02	2,058.04	3,416.09	78,171.72	68,116.11
Assets	861,491.30	753,055.38	53,673.52	47,941.15	915,164.82	800,996.53
Capital Expenditure for the year	869.05	902.89	1.31	2.18	870.36	905.07
Depreciation on fixed assets for the year	771.16	707.05	1.79	2.67	772.95	709.72

2.2.8 Related party disclosure

The related parties of the Bank are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters.

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)
- Life Insurance Corporation of India (LIC)
- General Insurance Corporation, New India Assurance Co. Limited, National Insurance Co. Limited, United India Insurance Co. Limited and The Oriental Insurance Co. Limited.

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Ms. Shikha Sharma (MD & CEO) (upto 31 December, 2018)
- Mr. V. Srinivasan (Deputy Managing Director) (upto 20 December, 2018)
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)]
- Mr. Rajiv Anand [Executive Director (Wholesale Banking)]
- Mr. Pralay Mondal [Executive Director (Retail Banking)] (w.e.f. 1 August, 2019)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Chhavi Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Mr. Sanjaya Sharma, Ms. Usha Bharadwaj, Mr. Tilak Sharma, Ms. Tvisha Sharma, Dr. Sanjiv Bharadwaj, Dr. Prashant Bharadwaj, Dr. Brevis Bharadwaj, Dr. Reena Bharadwaj, Ms. Gayathri Srinivasan, Mr. V. Satish, Ms. Camy Satish, Ms. Ananya Srinivasan, Ms. Anagha Srinivasan, Ms. Geetha N., Ms. Chitra R., Ms. Sumathi N., Mr. S. Ranganathan, Mr. R. Narayan, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Ms. Mallika Dahiya, Ms. Jal Medha, Ms. Pooja Rathi, Mr. Jai Prakash Dahiya, Ms. Mahasweta Mondal, Ms. Pritha Mondal, Ms. Trina Mondal, Mr. Biplab Mondal, Ms. Anima Mondal.

d) Subsidiary Companies

- Axis Capital Limited
- Axis Private Equity Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited
- Axis Bank UK Limited
- Axis Finance Limited
- Axis Securities Limited
- A.Treds Limited
- Accelyst Solutions Private Limited
- Freecharge Payment Technologies Private Limited

e) Step down subsidiary companies

- Axis Capital USA LLC

Based on RBI guidelines, details of transactions with step down subsidiaries are not disclosed since there is only one entity/party in this category.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2020 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Dividend paid	46.04	0.04	-	-	46.08
Dividend received	-	-	-	240.26	240.26
Interest paid	551.48	1.07	0.15	15.57	568.27
Interest received	0.19	0.26	-	53.95	54.40
Investment of the Bank	-	-	-	6.70	6.70
Investment in non-equity instruments of related party	-	-	-	45.00	45.00
Investment of related party in the Bank	-	5.44	-	-	5.44
Redemption of Hybrid capital/Bonds of the Bank	55.00	-	-	-	55.00
Purchase of investments	-	-	-	369.16	369.16
Sale of investments	1,318.04	-	-	-	1,318.04
Management contracts	-	-	-	12.87	12.87
Remuneration paid	-	15.84	-	-	15.84
Contribution to employee benefit fund	15.42	-	-	-	15.42
Repayment of security deposits by related party	-	-	-	-	-
Non-funded commitments (issued)	-	-	-	-	-
Call/Term lending to related party	-	-	-	55.61	55.61
Repayment of Call/Term lending by related party	-	-	-	55.61	55.61
Swaps/Forward contracts	-	-	-	79.34	79.34
Advance granted (net)	-	-	-	0.45	0.45
Advance repaid	5.31	6.01	-	86.47	97.79
Purchase of loans	-	-	-	-	-
Sell down of loans (including undisbursed loan commitments)	-	-	-	-	-
Receiving of services	202.74	-	-	178.55	381.29
Rendering of services	29.38	0.01	-	50.60	79.99
Sale of foreign exchange currency to related party	-	1.48	0.03	-	1.51
Royalty received	-	-	-	3.03	3.03
Other reimbursements from related party	-	-	-	37.77	37.77
Other reimbursements to related party	0.19	-	-	10.53	10.72

[#] Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2020 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Call/Term lending to related party	-	-	-	-	-
Deposits with the Bank	7,119.06	16.01	5.99	565.88	7,706.94
Placement of security deposits	0.31	-	-	-	0.31
Advances	1.31	4.85	0.03	351.56	375.75
Investment of the Bank	-	-	-	2,292.82	2,292.82
Investment in non-equity instruments of related party	-	-	-	-	-
Investment of related party in the Bank	88.56	0.08	-	-	88.64
Non-funded commitments	3.32	-	-	-	3.32
Investment of related party in Hybrid capital/Bonds of the Bank	2,760.00	-	-	-	2,760.00
Payable under management contracts	-	-	-	-	-
Other receivables (net)	-	-	-	6.13	6.13
Other payables (net)	-	-	-	26.64	26.64

[#] Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

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The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2020 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	16,652.92	20.86	5.99	1,106.09	17,785.86
Placement of deposits	0.31	-	-	-	0.31
Advances	11.51	10.99	0.06	1,473.93	1,496.49
Investment of the Bank	-	-	-	2,292.82	2,292.82
Investment of related party in the Bank	93.60	0.09	-	-	93.69
Investment in non-equity instruments of related party	290.05	-	-	-	290.05
Non-funded commitments	3.33	-	-	-	3.33
Call lending	-	-	-	55.61	55.61
Swaps/Forward contracts	-	-	-	1.51	1.51
Investment of related party in Hybrid Capital/Bonds of the Bank	2,815.00	-	-	-	2,815.00
Payable under management contracts	-	-	-	-	-
Other receivables (net)	-	-	-	17.94	17.94
Other payables (net)	-	-	-	88.19	88.19

The details of transactions of the Bank with its related parties during the year ended 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Dividend paid	-	-	-	-	-
Dividend received	-	-	-	131.10	131.10
Interest paid	554.78	0.41	0.12	17.41	572.72
Interest received	0.13	1.09	-	22.19	23.41
Investment of the Bank	-	-	-	197.17	197.17
Investment in non-equity instruments of related party	341.26	-	-	50.00	391.26
Investment of related party in the Bank	-	17.93	-	-	17.93
Redemption of Hybrid capital/Bonds of the Bank	1,510.00	-	-	-	1,510.00
Purchase of investments	205.00	-	-	-	205.00
Sale of investments	857.07	-	-	-	857.07
Management contracts	-	-	-	18.64	18.64
Remuneration paid	-	18.49	-	-	18.49
Contribution to employee benefit fund	16.53	-	-	-	16.53
Repayment of security deposits by related party	0.12	-	-	-	0.12
Non-funded commitments (issued)	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	352.14	352.14
Swaps/Forward contracts	-	-	-	138.31	138.31
Advance granted (net)	-	-	-	22.15	22.15
Advance repaid	0.45	7.38	-	621.41	629.24
Purchase of loans	-	-	-	-	-
Sell down of loans (including undisbursed loan commitments)	-	-	-	-	-
Receiving of services	120.46	-	-	969.90	1,090.36
Rendering of services	27.88	0.03	-	195.79*	223.70
Sale of foreign exchange currency to related party	-	1.35	0.01	-	1.36
Other reimbursements from related party	-	-	-	22.68	22.68
Other reimbursements to related party	0.66	-	-	1.09	1.75

[#] Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank

* Net of reversal of ₹46 crores towards fees receivable from Axis Asset Management Company Limited, pursuant to change in SEBI guidelines

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Call/Term lending to related party	-	-	-	-	-
Deposits with the Bank	9,146.04	13.91	0.55	378.75	9,539.25
Placement of security deposits	0.31	-	-	-	0.31
Advances	6.62	10.90	0.03	437.58	455.13
Investment of the Bank	-	-	-	2,286.12	2,286.12
Investment in non-equity instruments of related party	290.05	-	-	-	290.05
Investment of related party in the Bank	93.60	0.08	-	-	93.68
Non-funded commitments	3.33	-	-	-	3.33
Investment of related party in Hybrid capital/Bonds of the Bank	2,790.00	-	-	-	2,790.00
Payable under management contracts	-	-	-	-	-
Other receivables (net)	-	-	-	17.94	17.94
Other payables (net)	-	-	-	88.19	88.19

[#] Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	17,078.36	22.86	5.49	890.52	17,997.23
Placement of deposits	0.43	-	-	-	0.43
Advances	154.79	19.66	0.17	1,172.33	1,346.95
Investment of the Bank	-	-	-	2,286.12	2,286.12
Investment of related party in the Bank	135.32	0.52	-	-	135.84
Investment in non-equity instruments of related party	290.05	-	-	-	290.05
Non-funded commitments	3.35	-	-	0.05	3.40
Call lending	-	-	-	340.78	340.78
Swaps/Forward contracts	-	-	-	3.03	3.03
Investment of related party in Hybrid Capital/Bonds of the Bank	4,300.00	-	-	-	4,300.00
Payable under management contracts	-	3.70	-	-	3.70
Other receivables (net)	-	-	-	55.02	55.02
Other payables (net)	-	-	-	88.19	88.19

The transactions with Promoters and Key Management Personnel excluding those under management contracts are in nature of the banker-customer relationship.

Details of transactions with Axis Mutual Fund the fund floated by Axis Asset Management Company Ltd., the Bank's subsidiary has not been disclosed since the entity does not qualify as Related Parties as defined under the Accounting Standard 18, Related Party Disclosure, as notified under Section 2(2) and Section 133 of the Companies Act, 2013 and as per RBI guidelines.

The significant transactions between the Bank and related parties during the year ended 31 March, 2020 and 31 March, 2019 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

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Particulars	(₹ in crores)	
	Year ended 31 March, 2020	Year ended 31 March, 2019
Dividend paid		
Life Insurance Corporation of India	26.32	-
Administrator of the Specified Undertaking of the Unit Trust of India	13.69	-
Dividend received		
Axis Securities Limited	33.23	-
Axis Bank UK Limited	31.07	-
Axis Finance Limited	120.19	-
Axis Capital Limited	42.26	117.60
Axis Trustee Services Limited	13.50	13.50
Interest paid		
Life Insurance Corporation of India	433.28	503.97
Interest received		
Axis Finance Limited	52.28	10.93
Axis Bank UK Limited	0.06	10.12
Investment in Subsidiaries		
A Treds Limited	6.70	13.40
Axis Bank UK Limited	-	183.77
Investment in non-equity instruments of related party		
United India Insurance Co. Limited	-	241.26
Oriental Insurance Co. Limited	-	100.00
Axis Finance Limited	45.00	50.00
Investment of related party in the Bank		
Ms. Shikha Sharma	N.A.	8.67
Mr. Rajiv Anand	2.62	4.05
Mr. Rajesh Dahiya	2.82	5.22
Purchase of Investments		
Axis Bank UK Limited	369.16	-
Oriental Insurance Co. Limited	-	205.00
Redemption of Hybrid capital/Bonds of the Bank		
Life Insurance Corporation of India	-	1500.00
General Insurance Corporation Co. Limited	10.00	-
National Insurance Co. Limited	20.00	-
United India Insurance Co. Limited	25.00	10.00
Sale of investments		
New India Assurance Co. Limited	490.00	195.00
General Insurance Corporation Co. Limited	556.00	335.02
United India Insurance Co. Limited	112.18	141.29
Oriental Insurance Co. Limited	99.85	145.76
Management contracts		
Axis Securities Limited	3.97	6.61
A Treds Limited	4.52	6.53
Axis Capital Limited	2.09	2.68
Axis Trustee Services Limited	2.29	2.80
Remuneration paid		
Mr. Amitabh Chaudhry	6.26	1.28
Ms. Shikha Sharma	N.A.	6.83
Mr. V. Srinivasan	N.A.	4.53
Mr. Rajiv Anand	4.16	3.18
Mr. Rajesh Dahiya	3.75	2.68
Mr. Pralay Mondal	1.67	N.A.
Contribution to employee benefit fund		
Life Insurance Corporation of India	15.42	16.53
Repayment of Call/Term lending by related party		
Axis Bank UK Limited	55.61	352.14
Swaps/Forward contracts		
Axis Bank UK Limited	79.34	138.31

(₹ in crores)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Advance granted (net)		
Axis Capital Limited	-	19.43
Accelyst Solutions Private Limited	-	2.60
Axis Asset Management Company Limited	0.37	-
Axis Securities Limited	0.08	-
Advance repaid		
Axis Capital Limited	19.54	0.02
Axis Bank UK Limited	-	183.77
Axis Finance Limited	64.32	427.61
Receiving of services		
New India Assurance Co. Limited	88.90	52.72
Oriental Insurance Co. Limited	93.87	55.84
Freecharge Payment Technologies Private Limited	109.67	84.79
Accelyst Solutions Private Limited	46.09	0.33
Axis Securities Limited	10.39	878.80
Rendering of services		
Life Insurance Corporation of India	28.22	26.60
Axis Securities Limited	10.95	1.32
Axis Asset Management Company Limited	24.75	226.47
Sale of foreign exchange currency to related party		
Ms. Shikha Sharma	N.A.	1.14
Mr. Amitabh Chaudhry	0.40	0.15
Mr. Rajiv Anand	0.36	0.06
Mr. Pralay Mondal	0.72	N.A.
Royalty received		
Axis Asset Management Company Limited	0.70	-
Axis Capital Limited	0.36	-
Axis Finance Limited	1.51	-
Other reimbursements from related party		
Axis Securities Limited	29.10	0.44
Axis Capital Limited	3.90	3.90
Accelyst Solutions Private Limited	0.49	14.40
Other reimbursements to related party		
Axis Securities Limited	5.85	0.13
Life Insurance Corporation of India	0.19	0.66
Axis Capital Limited	0.26	0.22
Axis Bank UK Limited	4.40	0.57

2.2.9 Leases

Disclosure in respect of assets taken on operating lease

This comprise of office premises/ATMs, cash deposit machines, staff quarters, electronic data capturing machines and IT equipment.

(₹ in crores)

	31 March, 2020	31 March, 2019
Future lease rentals payable as at the end of the year:		
- Not later than one year	850.65	775.07
- Later than one year and not later than five years	2,787.14	2,444.94
- Later than five years	3,008.19	2,235.49
Total of minimum lease payments recognised in the Profit and Loss Account for the year	914.17	833.95
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	28.51	5.50
Sub-lease payments recognised in the Profit and Loss Account for the year	1.33	2.08

The Bank has sub-leased certain of its properties taken on lease.

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

Disclosure in respect of assets given on operating lease

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Gross carrying amount of premises at the end of the year	157.91	157.91
Accumulated depreciation at the end of the year	11.26	8.63
Total depreciation charged to profit and loss account for the year	2.63	0.65
Future lease rentals receivable as at the end of the year:		
- Not later than one year	29.50	28.99
- Later than one year and not later than five years	118.16	116.54
- Later than five years	65.36	100.08

There is no provision relating to contingent rent.

2.2.10 Movement in fixed assets capitalised as application software (included in other Fixed Assets)

	(₹ in crores)	
Particulars	31 March, 2020	31 March, 2019
At cost at the beginning of the year	1,610.96	1,291.64
Additions during the year*	207.34	319.54
Deductions during the year	(26.92)	(0.22)
Accumulated depreciation as at 31 March	(1,260.53)	(1,056.47)
Closing balance as at 31 March	530.85	554.49
Depreciation charge for the year	224.28	198.72

*includes movement on account of exchange rate fluctuation

2.2.11 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

	(₹ in crores)	
As at	31 March, 2020	31 March, 2019
Deferred tax assets on account of provisions for loan losses	5,932.33	7,072.93
Deferred tax assets on account of amortisation of HTM investments	5.01	8.35
Deferred tax assets on account of provision for employee benefits	9.05	97.12
Deferred tax assets on account of other items	1,366.12	547.26
Deferred tax assets	7,312.51	7,725.66
Deferred tax liabilities on account of depreciation on fixed assets	43.41	61.14
Deferred tax liabilities on account of other items	14.13	23.79
Deferred tax liabilities	57.54	84.93
Net Deferred tax assets	7,254.97	7,640.73

The Bank has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Bank has recognised provision for Income tax for the year ended 31 March, 2020 in line with the above option. This has necessitated a restatement of the opening balance of deferred tax assets as at 1 April, 2019, basis the rate prescribed in the aforesaid section. The restatement has resulted in a write down of ₹2,137.59 crores which has been fully charged to the Profit and Loss account during the year.

2.2.12 Employee Benefits

Provident Fund

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank. Based on an actuarial valuation conducted by an independent actuary, there is no deficiency as at the Balance Sheet date.

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Current Service Cost*	109.92	98.60
Interest on Defined Benefit Obligation	168.87	159.70
Expected Return on Plan Assets	(205.73)	(189.59)
Net Actuarial Losses/(Gains) recognised in the year	36.86	29.89
Total included in "Employee Benefit Expense" [Schedule 16(I)]	109.92	98.60
Actual Return on Plan Assets	173.11	132.30

* includes contribution of ₹0.40 crores towards staff deputed at subsidiaries (previous year ₹0.52 crores)

Balance Sheet

Details of provision for provident fund

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Fair Value of Plan Assets	2,494.37	2,245.71
Present Value of Funded Obligations	(2,494.37)	(2,245.71)
Net Asset	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset	-	-

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening Defined Benefit Obligation	2,245.71	2,006.65
Current Service Cost	109.92	98.60
Interest Cost	168.87	159.70
Actuarial Losses/(Gains)	4.24	(27.40)
Employees Contribution	276.90	217.42
Liability transferred from/to other companies	(14.90)	(16.45)
Benefits Paid	(296.37)	(192.81)
Closing Defined Benefit Obligation	2,494.37	2,245.71

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Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening Fair Value of Plan Assets	2,245.71	2,006.65
Expected Return on Plan Assets	205.73	189.59
Actuarial Gains/(Losses)	(32.62)	(57.29)
Employer contribution during the period	109.92	98.60
Employee contribution during the period	276.90	217.42
Assets transferred from/to other companies	(14.90)	(16.45)
Benefits Paid	(296.37)	(192.81)
Closing Fair Value of Plan Assets	2,494.37	2,245.71

Experience adjustments

	(₹ in crores)				
	31 March, 2020	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016
Defined Benefit Obligations	2,494.37	2,245.71	2,006.65	1,688.78	1,439.02
Plan Assets	2,494.37	2,245.71	2,006.65	1,688.78	1,439.02
Surplus/(Deficit)	-	-	-	-	-
Experience Adjustments on Plan Liabilities	4.24	(27.40)	12.10	20.83	12.08
Experience Adjustments on Plan Assets	(32.62)	(57.29)	(30.95)	0.58	(6.16)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2020	31 March, 2019
	(in percentage)	(in percentage)
Government securities	55	56
Bonds, debentures and other fixed income instruments	15	40
Equity shares	4	3
Others	26	1

	31 March, 2020	31 March, 2019
Discount rate for the term of the obligation	6.45%	7.65%
Average historic yield on the investment portfolio	8.83%	8.88%
Discount rate for the remaining term to maturity of the investment portfolio	6.85%	7.55%
Expected investment return	8.43%	8.98%
Guaranteed rate of return	8.50%	8.65%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹197.75 crores (previous year ₹161.28 crores) for the year.

The Hon'ble Supreme Court of India ("SC") by an order dated 28 February, 2019 in one case, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Basis subsequent clarification provided by the Employees' Provident Fund Organisation on the said order and an independent legal opinion, the Bank has implemented the principles laid down in the order effective 1 April, 2019.

Superannuation

The Bank contributed ₹15.24 crores (previous year ₹16.29 crores) to the employees' superannuation plan for the year.

National Pension Scheme (NPS)

During the year, the Bank contributed ₹6.35 crores (previous year ₹5.19 crores) to the NPS for employees who have opted for the scheme.

Leave Encashment

The liability of compensated absences of accumulated privileged leave of employees of the Bank is given below:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Liability – Privilege Leave	58.10	247.35
Total included in “Employee Benefit Expense” [Schedule 16(I)]	(8.99)	46.62

Gratuity

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Current Service Cost	50.81	44.67
Interest on Defined Benefit Obligation	32.95	29.15
Expected Return on Plan Assets	(29.60)	(24.61)
Net Actuarial Losses/(Gains) recognised in the year	40.95	7.86
Past Service Cost	0.78	-
Total included in “Employee Benefit Expense” [Schedule 16(I)]	95.89	57.07
Actual Return on Plan Assets	22.86	33.97

Balance Sheet

Details of provision for gratuity

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Fair Value of Plan Assets	467.75	391.91
Present Value of Funded Obligations	(469.30)	(402.15)
Unrecognised past service cost	1.55	2.33
Net Asset	-	(7.91)
Amounts in Balance Sheet		
Liabilities	-	7.91
Assets	-	-
Net Liability (included under Schedule 5 – Other Liabilities)	-	(7.91)

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening Defined Benefit Obligation	402.15	342.56
Current Service Cost	50.81	44.67
Interest Cost	32.95	29.15
Actuarial Losses/(Gains)	34.21	17.22
Past service cost	-	2.33
Benefits Paid	(50.82)	(33.78)
Closing Defined Benefit Obligation	469.30	402.15

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Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening Fair Value of Plan Assets	391.91	323.72
Expected Return on Plan Assets	29.60	24.61
Actuarial Gains/(Losses)	(6.74)	9.36
Contributions by Employer	103.80	68.00
Benefits Paid	(50.82)	(33.78)
Closing Fair Value of Plan Assets	467.75	391.91

Experience adjustments

	(₹ in crores)				
	31 March, 2020	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016
Defined Benefit Obligations	469.30	402.15	342.56	284.83	232.55
Plan Assets	467.75	391.91	323.72	279.65	232.56
Surplus/(Deficit)	(1.55)	(10.24)	(18.84)	(5.18)	0.01
Experience Adjustments on Plan Liabilities	(8.33)	7.50	4.39	6.64	2.78
Experience Adjustments on Plan Assets	(6.74)	9.36	4.59	(1.64)	(5.36)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2020	31 March, 2019
	(in percentage)	(in percentage)
Government securities	30	38
Bonds, debentures and other fixed income instruments	42	48
Money market instruments	2	5
Equity shares	2	2
Others	24	7

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2020	31 March, 2019
Discount Rate	6.45% p.a.	7.65% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover		
- 18 to 30 (age in years)	24.00%	20.00%
- 31 to 44 (age in years)	14.00%	10.00%
- 45 & above (age in years)	8.00%	5.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

2.2.13 Provisions and contingencies

- a) Movement in provision for frauds included under other liabilities is set out below:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening balance at the beginning of the year	53.58	60.98
Additions during the year	25.10	0.78
Reductions on account of payments during the year	(1.02)	-
Reductions on account of reversals during the year	-	(8.18)
Closing balance at the end of the year	77.66	53.58

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening provision at the beginning of the year	205.90	143.94
Provision made during the year	214.56	127.22
Reductions during the year	(154.36)	(65.26)
Closing provision at the end of the year	266.10	205.90

- c) Movement in provision for other contingencies is set out below:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening provision at the beginning of the year	187.99	150.66
Provision made during the year	2,655.00	655.26
Reductions during the year	-	(617.93)
Closing provision at the end of the year	2,842.99	187.99

Closing provision includes provision for legal cases, other contingencies and provision for COVID-19 over and above regulatory requirement .

2.2.14 Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

2.2.15 Corporate Social Responsibility (CSR)

- a) Amount required to be spent by the Bank on CSR during the year ₹100.62 crores (previous year ₹127.94 crores).
- b) Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is ₹100.96 crores (previous year ₹137.59 crores), which comprise of following -

	31 March, 2020			31 March, 2019		
	In cash	Yet to be paid in cash (i.e. provision)	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	0.28	-	0.28	11.89	-	11.89
On purpose other than above	95.33	5.35	100.68	125.13	0.57	125.70

2.2.16 Description of contingent liabilities**a) Claims against the Bank not acknowledged as debts**

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax authorities and disputed by the Bank. In addition, the Bank holds provision of ₹68.88 crores as on 31 March, 2020 (previous year ₹56.06 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate/currency futures and forward rate agreements on its own account and OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective forward exchange and derivative contracts.

d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

e) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

f) Other items

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end, demands raised by statutory authorities (other than income tax) and disputed by the Bank and amount transferred to Depositor Education and Awareness Fund (DEAF).

During earlier years, the Bank, through one of its overseas branches, had arranged Trade Credit (Buyers Credit loans) against Letters of Undertaking (LOUs) issued by Punjab National Bank (PNB), which were subsequently alleged as fraudulent by PNB. Prior to this declaration by PNB, such buyer's credit loans were sold down in the secondary market by the overseas branch to various participating banks under Risk Participation Agreements. As on 31 March, 2020, there is no funded exposure outstanding in the overseas branch pursuant to such sell down. PNB has repaid the aggregate amount of all LOUs due upto 31 March,

2020, pursuant to an undertaking issued to PNB, and made remittance to the overseas branch which has been passed on for onward payment to the participating banks. Based on the facts and circumstances of the case, internal findings and legal opinion, the Bank does not expect PNB has any valid right at this point in time, for refund by the Bank of the aggregate amount paid by PNB towards LOUs due upto 31 March, 2020. However, as a matter of prudence, the aggregate amount of LOUs issued by PNB to the overseas branch against which buyer's credit was extended, aggregating to ₹4,466.83 crores has been disclosed as part of Contingent Liabilities in the Balance Sheet.

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

2.2.17 Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For Axis Bank Ltd.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No.: 103523W/W100048

Rakesh Makhija

Chairman

Purushottam Nyati

Partner

Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

Independent Auditor's Report

To the Members of Axis Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Axis Bank Limited** (hereinafter referred to as "the Bank") and its subsidiaries (the Bank and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No. Key audit matters	How our audit addressed the key audit matter
<p>1. Information Technology (IT) Controls Framework</p> <p>The Bank has a complex IT architecture to support its day to day business operations. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces. All these data streams directly affect the financial accounting and reporting process of the Bank.</p>	<p>IT audit specialists are an integral part of our engagement team. Our approach of testing IT General Controls (ITGC) and IT Application Controls (ITAC) is risk based and business centric.</p> <p>As part of our IT controls testing, we have tested ITGC as well as ITAC. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification, Authentication Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions.</p> <p>We gathered a comprehensive understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>In ITGC testing we reviewed, on sample basis, control areas such as User Management, Change Management, Systems Security, Incident Management, Physical & Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</p>

Sr. No. Key audit matters	How our audit addressed the key audit matter
<p>The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC).</p> <p>We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<p>For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies and restriction on time period in which transactions may be recorded.</p> <p>We tested the control environment using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance. We also tested few controls using negative testing technique. We had taken adequate samples of instances for our tests</p> <p>Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.</p>
<p>2. Classification, Provisioning and Write off of Advances (Refer note 5.2 of schedule 17 and note 1.2, 2.1.1 and 2.1.5 of schedule 18 to the Consolidated Financial Statements)</p> <p>The Bank's portfolio of advances to customers amounts to Rs 571,424.16 crores as at March 31, 2020 comprising of Wholesale Banking and Retail Banking customer.</p> <p>As required under Income Recognition, Asset Classification and provisioning norms (IRAC norms), guidelines on COVID 19 related Regulatory Package dated March 27, 2020 and April 17, 2020 issued by the Reserve Bank of India (the "RBI") ('Regulatory Package') and other circulars, notifications and directives issued by the RBI, the Bank classifies advances into performing and non-performing advances which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.</p> <p>The Bank, as per its governing framework, identifies standard advances which require higher provision based on its evaluation of risk and internal ratings. The Bank also makes provisions against identified categories of non-fund based facilities, basis the internal assessment and evaluation. The Bank identifies sectors wherein the Bank perceives stress and makes higher provisions. The Bank also identifies accounts which are to be technically written off based on the framework approved by the Bank's Board of Directors.</p> <p>The classification, provisioning and write off of advances is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across a wide range of borrowers, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, estimation of provisions thereon and identification of accounts to be written off.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <p><i>Provisions for Corporate advances against specific individual loans (Wholesale Banking customer)</i></p> <ol style="list-style-type: none"> 1. Tested the key controls over borrower risk grading for wholesale loans (larger customer exposures that are monitored individually) for classification of such loans as performing or non-performing advances. <ul style="list-style-type: none"> • Tested on sample basis, the approval of new lending facilities against the Bank's credit policies, the performance of annual loan assessments, and controls over the monitoring of credit quality. • Assessed the process for classification by the Management including identification of non-performing assets. • Tested loans on sample basis to form our own assessment as to whether impairment events had occurred and to assess whether impairments had been identified in a timely manner. • For the selected non-performing loans, assessed Management's forecast and inputs of recoverable cash flows, comments of auditor on the financial statements, valuation of underlying security and collaterals, estimates of recoverable amounts on default and other sources of repayment. • Holding specific discussions with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which need to be considered as NPA. <p>This included testing controls over the identification of exposures showing signs of stress, either due to internal factors specific to the borrower or external macroeconomic factors, and testing the timeliness of and the accuracy of risk assessments and risk grading against the requirements of the Bank's lending policies and RBI IRAC norms.</p> <ol style="list-style-type: none"> 2. Performed credit assessments of a sample of corporate loans managed by a specialized group assessed as high risk or impaired, focusing on larger exposures assessed by the Bank as showing signs of deterioration, or in areas of emerging risk (assessed against external market conditions). We reviewed the Bank's risk grading of the loan, their assessment of loan recoverability and the impact on the credit provision. To do this, we used the information on the Borrowers loan file, discussed the case with the concerned officials and senior management, and performed our own assessment of recoverability.

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Sr. No. Key audit matters	How our audit addressed the key audit matter
<p>The same resulted in significant audit efforts to address the risks around loan recoverability and the determination of related provisions and write off.</p>	<p><i>Provisions for Retail advances against specific individual loans (Retail banking customer)</i></p> <ol style="list-style-type: none">a. For retail loans (smaller customer exposures not monitored individually), tested controls over the systems which record lending arrears, delinquency buckets based on the number of days loans are overdue, and calculate individual provisions.b. Tested automated calculation and change Management controls and evaluated the Bank's oversight of the portfolios, with a focus on controls over delinquency statistics monitoring.c. Tested on sample basis the level of provisions held against different loan products based on the delinquency profile and assumptions made in respect of expected recoveries, primarily from collateral held. We also carried out extensive data analytics procedures to identify exceptions and outliers. <p><i>Provisions estimated across loan portfolios (collective provision)</i></p> <ol style="list-style-type: none">1. Tested the Bank's processes for making collective provision;2. Reviewed the Policy for higher provision for weak standard advances and stressed sectors adopted by the Bank;3. Reviewed the Policy for provision on non-fund facilities adopted by the Bank;4. Validated the parameters used to calculate collective provisions with reference to IRAC norms, internal policy on higher provisions on weak standard advances, provisions on non-fund facilities;5. Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;6. Re-performed, for a sample of retail and wholesale portfolios, the calculation of collective provisions, to determine the accuracy of the same;7. Reviewed the Bank's process for granting moratorium to borrowers as per the Regulatory Package announced by RBI. We tested the completeness and accuracy of data used for computing general provision in line with Regulatory package issued by RBI. With respect to additional provision made by the Bank on account of the impact of Covid-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Bank. <p><i>Technical write off across loan portfolios</i></p> <p>The Bank has adopted a framework for technical write off. We reviewed the framework and understood the process for identification of loan portfolios to be technically written off. We tested on sample basis, the accounts identified during the year to be written off for compliance with the aforesaid framework.</p> <p><i>Disclosure</i></p> <p>We assessed the appropriateness and adequacy of disclosures against the relevant RBI requirements relating to NPAs including the additional disclosures required to be made in accordance with the Regulatory Package.</p>

Emphasis of Matter

We draw attention to Note 1.2 of schedule 18 to the consolidated financial statements which explains that the extent to which COVID-19 pandemic will impact the financial statements, is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis forming part of the Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures). The other information is expected to be made available to us after the date of this auditors report.

Our opinion on the consolidated financial statements does not cover the other information and the Basel III disclosures and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Bank's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Bank, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank and its subsidiary companies, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made in consolidated financial statements by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 10 subsidiaries, whose financial statements reflects total assets of Rs. 14,442.28 crores and net assets of Rs 3,163.79 crores as at March 31, 2020, total revenues of Rs. 2,116.49 crores and net cash outflows amounting to Rs. 88.17 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

One of the above subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditor under generally accepted auditing standards applicable in that country. The Bank's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Bank's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Bank and audited by us.

- (b) We did not audit the financial statements of 1 step down subsidiary, whose financial statements reflects total assets of Rs. 4.16 crores and net assets of Rs. 3.98 crores as at March 31, 2020, total revenues of Rs. 1.44 crores and net cash inflows amounting to Rs. 0.10 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this step down subsidiary, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid step down subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the Other Matters section above, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder to the extent they are not inconsistent with accounting policies prescribed by RBI;
- e) On the basis of the written representations received from the directors of the Bank as on March 31, 2020 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the "Annexure";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us and the reports of the statutory auditors of the subsidiary companies incorporated in India, the remuneration paid/ provided by those subsidiaries to their directors during the year is in accordance with the provisions of Section 197 of the Act. Further, Section 197 of the Act is not applicable to the Bank by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Schedule 12 Contingent Liabilities read with note 2.1.16 of Schedule 18 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 5 read with note 2.1.16 of Schedule 18 to the consolidated financial statements in respect of such items as it relates to the Group; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank and its subsidiary companies incorporated in India,

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN No. 20118970AAAABK1949

Place : Mumbai

Date : April 28, 2020

Annexure to the Independent Auditor's Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Axis Bank Limited on the consolidated financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Axis Bank Limited ("the Bank") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Bank and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Bank and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Bank and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Bank and its subsidiary companies.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Bank and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 9 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Purushottam Nyati

Partner

Membership No. 118970

UDIN No. 20118970AAAABK1949

Place : Mumbai

Date : April 28, 2020

Financial Statements

Consolidated Financial Statements

Consolidated Balance Sheet

As at 31 March, 2020

	Schedule No.	As at 31-03-2020	As at 31-03-2019
(₹ in Thousands)			
Capital and Liabilities			
Capital	1	5,643,356	5,143,290
Reserves & Surplus	2	857,760,934	672,882,898
Minority Interest	2A	1,135,557	846,147
Deposits	3	6,421,572,086	5,507,459,351
Borrowings	4	1,551,801,659	1,612,498,292
Other Liabilities and Provisions	5	440,804,466	341,629,698
Total		9,278,718,058	8,140,459,676
Assets			
Cash and Balances with Reserve Bank of India	6	849,592,711	350,990,403
Balances with Banks and Money at Call and Short Notice	7	128,405,033	329,052,679
Investments	8	1,552,816,344	1,740,558,546
Advances	9	5,829,588,354	5,066,561,244
Fixed Assets	10	43,943,385	41,298,823
Other Assets	11	874,372,231	611,997,981
Total		9,278,718,058	8,140,459,676
Contingent Liabilities	12	9,250,067,577	7,582,289,751
Bills for Collection		478,427,586	519,728,573
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Balance Sheet

In terms of our report attached.

For Haribhakti & Co. LLP

Chartered Accountants
Firm Registration No.: 103523W/W100048

Purushottam Nyati

Partner
Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

Consolidated Profit & Loss Account

For the year ended 31 March, 2020

		(₹ in Thousands)	
	Schedule No.	Year ended 31-03-2020	Year ended 31-03-2019
I Income			
Interest earned	13	637,156,804	560,436,523
Other income	14	163,419,937	141,887,538
Total		800,576,741	702,324,061
II Expenditure			
Interest expended	15	379,959,407	338,834,746
Operating expenses	16	180,657,585	167,201,872
Provisions and contingencies	18 (2.1.1)	221,172,201	145,816,536
Total		781,789,193	651,853,154
III Net Profit For The Year		18,787,548	50,470,907
Minority interest		(256,409)	(85,018)
IV Consolidated Net Profit Attributable To Group		18,531,139	50,385,889
Balance in Profit & Loss Account brought forward from previous year		251,175,230	235,543,472
V Amount Available For Appropriation		269,706,369	285,929,361
VI Appropriations:			
Transfer to Statutory Reserve		4,068,038	11,691,521
Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934		386,500	421,100
Transfer to/(from) Investment Reserve		-	(1,034,894)
Transfer to Capital Reserve		3,405,245	1,251,323
Transfer to General Reserve		34,138	96,508
Transfer to Investment Fluctuation Reserve		3,280,000	6,000,000
Transfer to/(from) Reserve Fund		8,502	6,280
Dividend paid (includes tax on dividend)	18 (2.1.6)	3,318,569	269,486
Balance in Profit & Loss Account carried forward		255,205,377	267,228,037
Total		269,706,369	285,929,361
VII Earnings Per Equity Share	18 (2.1.4)		
(Face value ₹ 2/- per share)			
Basic (in ₹)		6.83	19.61
Diluted (in ₹)		6.80	19.49
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

In terms of our report attached.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No.: 103523W/W100048

Purushottam Nyati

Partner

Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended 31 March, 2020

(₹ in Thousands)

	Year ended 31-03-2020	Year ended 31-03-2019
Cash flow from operating activities		
Net profit before taxes	52,544,043	75,835,511
Adjustments for:		
Depreciation on fixed assets	8,060,735	7,371,694
Depreciation on investments	1,359,912	2,965,368
Amortisation of premium on Held to Maturity investments	3,546,142	3,231,548
Provision for Non Performing Assets (including bad debts)	128,352,954	102,721,131
Provision on standard assets	15,341,633	8,143,122
Profit/(loss) on sale of land, buildings and other assets (net)	50,818	247,690
Provision for country risk	121,721	-
Provision for restructured assets/strategic debt restructuring	(154,980)	(196,572)
Provision on unhedged foreign currency exposure	(106,800)	187,900
Provision for other contingencies	42,244,858	6,545,966
	251,361,036	207,053,358
Adjustments for:		
(Increase)/Decrease in investments	244,324,699	(41,551,810)
(Increase)/Decrease in advances	(867,031,134)	(667,024,418)
Increase /(Decrease) in deposits	914,112,735	950,881,709
(Increase)/Decrease in other assets	(265,223,513)	(93,650,319)
Increase/(Decrease) in other liabilities & provisions	56,982,825	46,760,283
Direct taxes paid	(30,370,292)	(31,216,324)
Net cash flow from operating activities	304,156,356	371,252,479
Cash flow from investing activities		
Purchase of fixed assets	(11,042,694)	(8,803,657)
(Increase)/Decrease in Held to Maturity investments	(85,819,362)	(178,658,506)
Proceeds from sale of fixed assets	273,426	547,233
Net cash used in investing activities	(96,588,630)	(186,914,930)

(₹ in Thousands)

	Year ended 31-03-2020	Year ended 31-03-2019
Cash flow from financing activities		
Proceeds/(Repayment) from issue of subordinated debt, perpetual debt & upper Tier II instruments (net)	(20,000,000)	(17,000,000)
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments) (net)	(40,696,631)	71,827,368
Proceeds from issue of share capital	500,066	10,212
Proceeds from share premium (net of share issue expenses)	151,877,064	1,706,853
Payment of dividend (including dividend distribution tax)	(3,318,569)	(269,486)
Increase in minority interest	289,410	151,018
Net cash generated from financing activities	88,651,340	56,425,965
Effect of exchange fluctuation translation reserve	1,735,596	171,437
Net increase in cash and cash equivalents	297,954,662	240,934,951
Cash and cash equivalents at the beginning of the year	680,043,082	439,108,131
Cash and cash equivalents at the end of the year	977,997,744	680,043,082
Notes to the Cash Flow Statement:		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	849,592,711	350,990,403
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	128,405,033	329,052,679
Cash and cash equivalents at the end of the year	977,997,744	680,043,082
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹108.63 crores (previous year ₹148.80 crores)		

In terms of our report attached.

For Axis Bank Ltd.

For Haribhakti & Co. LLP

Chartered Accountants
Firm Registration No.: 103523W/W100048

Rakesh Makhija
Chairman

Purushottam Nyati

Partner
Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

Financial Statements

Consolidated Financial Statements

Schedules forming part of the Consolidated Balance Sheet

As at 31 March, 2020

Schedule 1 - Capital

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
Issued, Subscribed and Paid-up capital		
2,821,677,934 (Previous year - 2,571,644,871) Equity Shares of ₹2/- each fully paid-up	5,643,356	5,143,290

Schedule 2 - Reserves and Surplus

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Statutory Reserve		
Opening Balance	127,451,247	115,759,726
Additions during the year	4,068,038	11,691,521
	131,519,285	127,451,247
II. Share Premium Account		
Opening Balance	259,821,526	258,114,673
Additions during the year	152,488,174	1,706,853
Less: Share issue expenses	(611,111)	-
	411,698,589	259,821,526
III. Investment Reserve Account		
Opening Balance	-	1,034,894
Additions during the year	-	-
Deductions during the year	-	(1,034,894)
	-	-
IV. General Reserve		
Opening Balance	4,040,677	3,944,169
Additions during the year	34,138	96,508
	4,074,815	4,040,677
V. Capital Reserve		
Opening Balance	20,924,276	19,672,953
Additions during the year	3,405,245	1,251,323
	24,329,521	20,924,276
VI. Foreign Currency Translation Reserve [Refer Schedule 17 (5.6)]		
Opening Balance	1,692,088	1,520,651
Additions during the year	1,735,596	171,437
Deductions during the year	-	-
	3,427,684	1,692,088
VII. Reserve Fund		
Opening Balance	81,254	74,974
Additions during the year	8,502	6,280
	89,756	81,254
VIII. Reserve Fund u/s 45 IC of RBI Act, 1934		
Opening Balance	1,696,600	1,275,500
Additions during the year	386,500	421,100
	2,083,100	1,696,600
IX. Investment Fluctuation Reserve		
Opening Balance	6,000,000	-
Additions during the year	3,280,000	6,000,000
	9,280,000	6,000,000

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
X. Balance in Profit & Loss Account brought forward	255,205,377	267,228,037
Adjustments during the year*	16,052,807	(16,052,807)
Balance in Profit & Loss Account	271,258,184	251,175,230
Total	857,760,934	672,882,898

* During the previous year ended 31 March, 2019, the Bank had made a provision amounting to ₹1,605.28 crores towards Land held as non-banking asset through the reserves and surplus, as permitted by RBI. During the year ended 31 March, 2020, the said provision has been recognised as part of provisions & contingencies in the profit and loss account with consequential reversal in the reserves and surplus, as advised by RBI.

Schedule 2A - Minority Interest

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Minority Interest		
Opening Balance	846,147	695,129
Increase during the year	289,410	151,018
Closing Minority Interest	1,135,557	846,147

Schedule 3 - Deposits

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
A. I. Demand Deposits		
(i) From banks	38,887,703	47,199,015
(ii) From others	858,619,416	844,939,199
II. Savings Bank Deposits	1,735,926,032	1,541,290,515
III. Term Deposits		
(i) From banks	343,218,323	232,371,412
(ii) From others	3,444,920,612	2,841,659,210
Total	6,421,572,086	5,507,459,351
B. I. Deposits of branches in India	6,352,037,738	5,462,410,325
II. Deposits of branches/subsidiaries outside India	69,534,348	45,049,026
Total	6,421,572,086	5,507,459,351

Schedule 4 - Borrowings

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Borrowings in India		
(i) Reserve Bank of India	116,190,000	144,000,000
(ii) Other banks #	23,582,947	27,139,984
(iii) Other institutions & agencies **	845,265,217	722,206,785
II. Borrowings outside India	566,763,495	719,151,523
Total	1,551,801,659	1,612,498,292
Secured borrowings included in I & II above	157,821,977	183,811,250

Borrowings from other banks include Subordinated Debt of ₹15.60 crores (previous year ₹35.60 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of Nil (previous year ₹50.00 crores) [Also refer Note 18 (2.1.2)]

** Borrowings from other institutions & agencies include Subordinated Debt of ₹17,989.40 crores (previous year ₹19,969.40 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹7,000 crores (previous year ₹6,950 crores) [Also refer Note 18 (2.1.2)]

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Schedule 5 - Other Liabilities and Provisions

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Bills payable	36,897,894	37,854,366
II. Inter-office adjustments (net)	-	-
III. Interest accrued	34,122,863	47,617,940
IV. Proposed dividend (includes tax on dividend) [Refer Schedule 17 (5.22) & Schedule 18 (2.1.6)]	-	-
V. Contingent provision against standard assets	46,353,188	30,800,051
VI. Others (including provisions)	323,430,521	225,357,341
Total	440,804,466	341,629,698

Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Cash in hand (including foreign currency notes)	79,879,291	42,132,211
II. Balances with Reserve Bank of India:		
(i) in Current Account	209,713,420	263,858,192
(ii) in Other Accounts	560,000,000	45,000,000
Total	849,592,711	350,990,403

Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	645,598	2,477,663
(b) in Other Deposit Accounts	28,903,094	34,498,933
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	-	191,610,699
Total	29,548,692	228,587,295
II. Outside India		
(i) in Current Accounts	45,030,057	47,630,852
(ii) in Other Deposit Accounts	725,119	5,177,257
(iii) Money at Call & Short Notice	53,101,165	47,657,275
Total	98,856,341	100,465,384
Grand Total (I+II)	128,405,033	329,052,679

Schedule 8 - Investments

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Investments in India in -		
(i) Government Securities **	1,219,180,739	1,168,229,051
(ii) Other approved securities	-	-
(iii) Shares	11,552,855	9,595,084
(iv) Debentures and Bonds	206,439,143	393,845,209
(v) Investment in Joint Ventures	-	-
(vi) Others (Mutual Fund units, CD/CP, PTC etc.)	64,490,000	115,709,188
Total Investments in India	1,501,662,737	1,687,378,532
II. Investments outside India in -		
(i) Government Securities (including local authorities)	42,819,430	38,260,202
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Others (Equity Shares and Bonds)	8,334,177	14,919,812
Total Investments outside India	51,153,607	53,180,014
Grand Total (I+II)	1,552,816,344	1,740,558,546

** Includes securities costing ₹34,501.78 crores (previous year ₹29,283.94 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
A. (i) Bills purchased and discounted	145,282,883	155,366,967
(ii) Cash credits, overdrafts and loans repayable on demand	1,580,313,876	1,504,923,908
(iii) Term loans #	4,103,991,595	3,406,270,369
Total	5,829,588,354	5,066,561,244
B. (i) Secured by tangible assets §	4,234,489,317	3,648,665,829
(ii) Covered by Bank/Government Guarantees §&	19,316,246	36,063,289
(iii) Unsecured	1,575,782,791	1,381,832,126
Total	5,829,588,354	5,066,561,244
C. I. Advances in India		
(i) Priority Sector	1,438,593,307	1,188,930,411
(ii) Public Sector	134,270,813	65,894,406
(iii) Banks	21,809,078	43,110,224
(iv) Others	3,747,137,021	3,345,917,806
Total	5,341,810,219	4,643,852,847
II. Advances Outside India		
(i) Due from banks	25,828,342	20,815,655
(ii) Due from others -		
(a) Bills purchased and discounted	28,288,691	23,843,213
(b) Syndicated loans	31,671,905	58,113,336
(c) Others	401,989,197	319,936,193
Total	487,778,135	422,708,397
Grand Total [CI+CII]	5,829,588,354	5,066,561,244

Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹1,500.00 crores (previous year ₹2,750.00 crores), includes lending under IBPC ₹2,900.10 crores (previous year ₹3,529.50 crores)

§ Includes advances against book debts

§& Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Premises		
Gross Block		
At cost at the beginning of the year	17,917,464	18,331,432
Additions during the year*	460,004	169,308
Deductions during the year	-	(583,276)
Total	18,377,468	17,917,464
Depreciation		
As at the beginning of the year	1,640,431	1,470,051
Charge for the year	276,446	292,310
Deductions during the year	-	(121,930)
Depreciation to date	1,916,877	1,640,431
Net Block	16,460,591	16,277,033
II. Other fixed assets (including furniture & fixtures)		
Gross Block		
At cost at the beginning of the year	62,344,017	53,911,389
Additions on acquisition	-	-
Additions during the year*	8,630,828	9,375,302
Deductions during the year	(1,231,550)	(942,674)
Total	69,743,295	62,344,017

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(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
Depreciation		
As at the beginning of the year	40,199,808	33,802,484
Additions on acquisition	-	-
Charge for the year	7,780,867	7,079,384
Deductions during the year	(894,153)	(682,060)
Depreciation to date	47,086,522	40,199,808
Net Block	22,656,773	22,144,209
III. Capital Work-in-Progress (including capital advances)	4,826,021	2,877,581
Grand Total (I+II+III)	43,943,385	41,298,823

* includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	72,554,289	71,428,760
III. Tax paid in advance/tax deducted at source (net of provisions)	16,696,759	17,095,247
IV. Stationery and stamps	1,056	3,057
V. Non banking assets acquired in satisfaction of claims [§]	-	87,276
VI. Others ^{#@}	785,120,127	523,383,641
Total	874,372,231	611,997,981

Includes deferred tax assets of ₹7,363.79 crores (previous year ₹7,687.68 crores) [Refer Schedule 18 (2.1.11)]

@ Includes Priority Sector Shortfall Deposits of ₹46,462.92 crores (previous year ₹28,161.77 crores)

§ Includes goodwill on consolidation of ₹289.24 crores (previous year ₹289.24 crores)

¶ Represents balance net of provision of ₹2,068.24 crores on Land held as non-banking asset. (previous year represents balance net of provision of ₹2,208.61 crores on Land held as non-banking asset and provision of ₹2.09 crores on other non banking assets)

Schedule 12 - Contingent Liabilities

(₹ in Thousands)

	As at 31-03-2020	As at 31-03-2019
I. Claims against the Group not acknowledged as debts	17,432,034	6,275,310
II. Liability for partly paid investments	1,387,700	18,000
III. Liability on account of outstanding forward exchange and derivative contracts :		
a) Forward Contracts	4,559,787,377	3,296,537,608
b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	3,033,699,904	2,396,504,945
c) Foreign Currency Options	451,140,999	464,047,739
Total (a+b+c)	8,044,628,280	6,157,090,292
IV. Guarantees given on behalf of constituents		
In India	664,796,899	680,528,970
Outside India	74,715,368	75,480,355
V. Acceptances, endorsements and other obligations	251,657,421	324,474,560
VI. Other items for which the Group is contingently liable	195,449,875	338,422,264
Grand Total (I+II+III+IV+V+VI) [Refer Schedule 18 (2.1.16)]	9,250,067,577	7,582,289,751

Schedules forming part of the Consolidated Profit & Loss Account

For the year ended 31 March, 2020

Schedule 13 - Interest Earned

	Year ended 31-03-2020	Year ended 31-03-2019
I. Interest/discount on advances/bills	493,233,034	423,225,782
II. Income on investments	112,793,394	113,756,581
III. Interest on balances with Reserve Bank of India and other inter-bank funds	10,987,124	6,990,108
IV. Others	20,143,252	16,464,052
Total	637,156,804	560,436,523

(₹ in Thousands)

Schedule 14 - Other Income

	Year ended 31-03-2020	Year ended 31-03-2019
I. Commission, exchange and brokerage	107,527,475	99,581,861
II. Profit/(Loss) on sale of investments (net)	21,872,948	7,928,093
III. Profit/(Loss) on sale of land, buildings and other assets (net)*	(50,818)	(247,690)
IV. Profit on exchange/derivative transactions (net)	15,806,073	15,150,700
V. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	-	-
VI. Miscellaneous Income [including recoveries on account of advances/investments written off in earlier years ₹1,553.14 crores (previous year ₹1,902.24 crores) and profit on account of portfolio sell downs/securitisation ₹25.50 crores (previous year net profit of ₹7.96 crores)]	18,264,259	19,474,574
Total	163,419,937	141,887,538

(₹ in Thousands)

*includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	Year ended 31-03-2020	Year ended 31-03-2019
I. Interest on deposits	294,108,051	237,400,132
II. Interest on Reserve Bank of India/Inter-bank borrowings	20,440,779	30,217,595
III. Others	65,410,577	71,217,019
Total	379,959,407	338,834,746

(₹ in Thousands)

Schedule 16 - Operating Expenses

	Year ended 31-03-2020	Year ended 31-03-2019
I. Payments to and provisions for employees	58,199,622	59,898,715
II. Rent, taxes and lighting	11,714,178	10,875,319
III. Printing and stationery	1,664,909	1,988,746
IV. Advertisement and publicity	1,347,600	1,629,794
V. Depreciation on Group's property	8,060,735	7,371,694
VI. Directors' fees, allowance and expenses	34,419	42,943
VII. Auditors' fees and expenses	35,984	29,896
VIII. Law charges	1,237,449	1,180,869
IX. Postage, telegrams, telephones etc.	2,887,728	3,121,993
X. Repairs and maintenance	11,860,447	10,932,230
XI. Insurance	7,518,405	6,011,683
XII. Other expenditure	76,096,109	64,117,990
Total	180,657,585	167,201,872

(₹ in Thousands)

17 Significant Accounting Policies

For the year ended 31 March, 2020

1. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Axis Bank Limited ('the Bank') and its subsidiaries, which together constitute 'the Group'. The Bank has overseas branches at Singapore, Hong Kong, DIFC - Dubai, Shanghai and Colombo and an Offshore Banking Unit at International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank consolidates its subsidiaries in accordance with AS 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure. All significant inter-company accounts and transactions are eliminated on consolidation.

2. Basis of preparation

- a) The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.
- b) The consolidated financial statements present the accounts of Axis Bank Limited with its following subsidiaries:

Name	Relation	Country of Incorporation	Ownership Interest
Axis Capital Ltd.	Subsidiary	India	100.00%
Axis Private Equity Ltd.	Subsidiary	India	100.00%
Axis Trustee Services Ltd.	Subsidiary	India	100.00%
Axis Mutual Fund Trustee Ltd.	Subsidiary	India	75.00%
Axis Asset Management Company Ltd.	Subsidiary	India	75.00%
Axis Finance Ltd.	Subsidiary	India	100.00%
Axis Securities Ltd.	Subsidiary	India	100.00%
Freecharge Payment Technologies Pvt. Ltd.	Subsidiary	India	100.00%
Accelyst Solutions Pvt. Ltd.	Subsidiary	India	100.00%
A.Treds Ltd.	Subsidiary	India	67.00%
Axis Bank UK Ltd.	Subsidiary	U.K.	100.00%
Axis Capital USA LLC	Step down subsidiary	USA	100.00%

- c) The financial statements of certain subsidiaries have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS'). The financial statements of such subsidiaries used for consolidation of the consolidated financial statements are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
- d) The audited financial statements of the above subsidiaries and the unaudited financial statements of the step down subsidiary have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2020.
- e) The financial statements of the Bank's foreign subsidiary, Axis Bank UK Ltd. ('the Company') are drawn up in accordance with International Financial Reporting Standards ('IFRSs') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC'), as adopted by the European Union. In January 2020, following a strategic review of operations, the Board of Axis Bank UK Limited approved the decision to exit the UK market and wind down

operations. Accordingly, the financial statements of the Company have been prepared on a basis other than that of a going concern. These financial statements have been converted to Indian GAAP for the purpose of consolidated financial statements of the Group.

- f) Axis Private Equity Ltd., is in the process of amalgamation with Axis Finance Ltd. and has submitted an application for amalgamation before the National Company Law Tribunal on 13 October, 2017. At the last hearing in February 2020, the NCLT has fixed the matter as reserved for order and the same is awaited as at the Balance Sheet date.
- g) On 27 March, 2018, the Board of Directors of Accelyst Solutions Pvt. Ltd ('ASPL') and Freecharge Payment Technologies Pvt. Ltd. ('FCPTL') approved a scheme for amalgamation of ASPL into and with FCPTL. ASPL and FCPTL filed final petition for approval of merger before the National Company Law Tribunal ('NCLT'). The appointed date for amalgamation is 7 October, 2017 and the effect of merger will be given on this date or any other date as may be prescribed by the NCLT. Subsequent to the final hearing in the matter conducted during the year, FCPTL received the copy of the order approved by NCLT, Delhi and has filed the same with the Ministry of Company Affairs in November 2019. However, in the case of ASPL, the NCLT, Mumbai order amended the appointed date of amalgamation from 7 October, 2017 to 1 April, 2018. Since the Scheme filed by the FCPTL was already approved by NCLT, Delhi with the appointed date of 7 October, 2017, the order of NCLT, Mumbai sanctioning the scheme cannot be implemented due to discrepancy in appointed date. Therefore, ASPL is in the process of filing a modification application in NCLT, Mumbai to amend the appointed date from 1 April, 2018 to 7 October, 2017 as originally mutually decided by FCPTL and ASPL and as mentioned in the scheme of amalgamation. Accordingly, no accounting impact of the Scheme is taken in the consolidated financial statements as at 31 March, 2020.

3. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

4. Change in accounting policies/estimates

Provision on Non-Fund based outstanding

During the year, the Bank has adopted a policy of maintaining provision on non-funded outstanding in NPAs, prudentially written off accounts, corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC. As a result, the provisions and contingencies for the year are higher by ₹410.52 crores with a consequent reduction to the profit before tax.

5. Significant accounting policies

5.1 Investments

Axis Bank Ltd.

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

However, for disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other approved securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and

Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted as per the RBI guidelines.

Acquisition cost

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. In terms of RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/ Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per RBI guidelines. The provision on such non-performing investments is not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount amortised over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities included in the AFS and HFT categories is computed as per the rates published by FIMMDA/ FBIL.
- In case of special bonds issued by Government of India that do not qualify for SLR, unquoted bonds, debentures, preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the YTM for Government Securities as published by FIMMDA/PDAI/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI.

- Pass Through Certificates ('PTC') and Priority Sector PTCs are valued as per extant FIMMDA guidelines.
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.
- Units of Venture Capital Funds ('VCF') held under AFS category where current quotations are not available are valued based on the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF after 23 August, 2006 may be categorised under HTM category for the initial period of three years and are valued at cost as per RBI guidelines.
- In case investments in security receipts on or after 1 April, 2017 which are backed by more than 50 percent of the stressed assets sold by the Bank, provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/Securitisation Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank. All other investments in security receipts are valued as per the NAV obtained from the issuing RC/SCs.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Repurchase and reverse repurchase transactions

Repurchase and reverse repurchase transactions in government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted as collateralised borrowing and lending respectively. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account and the Bank continues to accrue the coupon/discount on the security during the repo period. Further, the Bank continues to value the securities sold under repo as per the investment classification of the security. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

Subsidiaries

Investments are initially recognised at cost which comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account.

Long term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

5.2 Advances

Axis Bank Ltd.

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loan classified as NPAs, provisions in lieu of diminution in the fair value of restructured assets and floating provisions.

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception for agriculture advances and schematic retail advances. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI. Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are classified as NPAs based on host country guidelines, are made as per the host country regulations. In the case of NPAs referred to National Company Law Tribunal ('NCLT') under Insolvency and Bankruptcy Code ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time.

Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines.

Amounts recovered against debts written off are recognised in the Profit and Loss account and included under "Other Income".

In case of EMI based standard retail advances, funds received from customers are appropriated in the order of chronology as towards interest, principal, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of chronology as towards charges, penal interest, interest and principal.

The Bank makes additional provisions as per RBI's guidelines on 'Prudential Framework on Resolution of Stressed Assets' dated 7 June, 2019 on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timelines.

In respect of borrowers classified as non-cooperative and willful defaulters, the Bank makes accelerated provisions as per extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided immediately without considering the value of security.

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. This provision is classified under Schedule 5 - Other Liabilities in the Balance Sheet. Further, Incremental capital is maintained in respect of borrower counter parties in the highest risk category, in line with stipulations by RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond Normally Permitted Lending Limit ('NPLL') in proportion to Bank's funded exposure to the specified borrowers as per RBI guidelines. This provision is classified under Schedule 5 - Other Liabilities in the Balance Sheet.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI other than for corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC, where general provision is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or RBI. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivatives at the rates prescribed by RBI.

The Bank maintains provision on non-funded outstanding in NPAs, prudentially written off accounts, corporate standard advances rated 'BB and Below' and all SMA-2 advances as reported to CRILC. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of Equated Monthly Installments ('EMIs') of a specific period subject to fulfilment of a set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of waivers to eligible borrowers in respect of such loans based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

Axis Finance Ltd.

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI.

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Provisions for standard assets and NPAs are made at rates as prescribed under the RBI guidelines.

Axis Bank UK Ltd.

In the case of the Bank's UK subsidiary, the impairment loss is measured using the Expected Credit Loss ('ECL') model based on a three-stage approach as follows:

Stage 1 - the recognition of 12 month ECL, that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;

Stage 2 - lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition; and

Stage 3 - lifetime expected credit losses for financial instruments which are credit impaired.

As a result the amount of the allowance is affected by changes in the expectations of loss driven by changes in associated credit risk. The measurement of ECL is calculated using three main components: (i) probability of default ('PD'), (ii) loss given default ('LGD') and (iii) the exposure at default ('EAD'). The ECL is calculated by multiplying the PD, LGD and the EAD. The PDs represent the probability of default over 12 months or lifetime of the instrument for stage 1 and stage 2/stage3 respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account.

5.3 Country risk

Axis Bank Ltd.

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the

total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

5.4 Securitisation and transfer of assets

Axis Bank Ltd.

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

In accordance with RBI guidelines of 7 May, 2012 on 'Guidelines on Securitisation of Standard Assets', gain on securitisation transaction is recognised over the period of the underlying securities issued by the SPV. Loss on securitisation is immediately debited to the Profit and Loss Account.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

5.5 Priority Sector Lending Certificates

Axis Bank Ltd.

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

5.6 Foreign currency transactions

Group

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the Balance Sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign operations classified as non-integral foreign operations as per the RBI guidelines are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on PV basis by discounting the forward value till spot date and converting the FCY amount using the respective spot rates as notified by FEDAI. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

5.7 Derivative transactions

Axis Bank Ltd.

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market (MTM)) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on accounting for derivative contracts. Pursuant to the RBI guidelines any receivables under derivative contracts comprising of crystallised receivables as well as positive Mark-to-Market (MTM) in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in separate Suspense Account.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contract or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant marked-to-market profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options (ETCO) is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

5.8 Revenue recognition

Axis Bank Ltd.

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the RBI guidelines except in the case of interest income on non-performing assets where it is recognised on receipt basis if overdue for more than 90 days. Income on non-coupon bearing discounted instruments or low-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant yield basis.

Guarantee commission is recognised on a pro-rata basis over the period of the guarantee. Locker rent and annual fees for credit cards are recognised on a straight-line basis over the period of contract. Arrangership/syndication fee is accounted for on completion of the agreed service and when right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of Priority Sector Lending Certificates ('PSLC') is amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of Profit and Loss Account. Fees received on sale of PSLC is amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of Profit and Loss Account.

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In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion business on a consignment basis. The difference between the price recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on an accrual basis.

Subsidiaries

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Fee income is recognised on the basis of accrual when all the services are performed and there is reasonable certainty of ultimate collection.

Interest income is recognised on an accrual basis.

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

Axis Capital Limited

Brokerage income in relation to stock broking activity is recognised as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis. Gains/losses on dealing in securities are recognised on a trade date basis.

Revenue from issue management, loan syndication, and financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds, etc. are recorded on determination of the amount due to the Company, once the allotment of securities are completed.

Axis Trustee Services Limited

Annual Fees for trusteeship services and servicing fees are recognised, on a straight line basis, over the period when services are performed. Initial acceptance fee is recognised as and when the 'Offer Letter' for the services to be rendered is accepted by the customer.

A provision for doubtful debts is recognized where, in the case of Initial Acceptance Fees, the receivables are not realized within 90 days from the date of invoice, and in the case of Annual Fees, the receivables are not received within 90 days from the end of the period for which the invoice is issued. Where doubtful debt remains unrecovered till the end of the year, the same is written off and reversed from the debtors account. Specific provisions are created in certain cases where recovery is assessed as doubtful even before the due date.

Realised gains and losses on mutual funds are dealt with in the Profit and Loss Account. The cost of units in mutual fund sold are determined on weighted average basis for the purpose of calculating gains or losses on sale/redemption of such units.

Axis Asset Management Company Limited

Management fees are recognised on accrual basis. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from Portfolio Management Services, Alternate Investment Fund and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

Axis Mutual Fund Trustee Limited

Trustee fee is recognised on accrual basis, at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Deed of Trust, and is applied on the net assets of each scheme of Axis Mutual Fund.

Axis Finance Limited

Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

Income on discounted instruments is recognised over the tenure of the instrument on a straight-line method.

Front end fees on processing of loans are recognised upfront as income.

Axis Securities Limited

Business sourcing and resource management fees are recognised on accrual basis when all the services are performed.

Income from subscription plan to the extent of account opening fees is recognised upfront and balance is amortised over the validity of plan.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc. are recorded on determination of the amount due to the company, once the allotment of securities are completed.

Brokerage income on securities is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date. Gains/losses on dealing in securities are recognised on trade date basis.

Depository fees are recognised on completion of the transaction.

Portfolio management fees are accounted on accrual basis as follows:

- In case of fees based on fixed percentage of the corpus/fixed amount, income is accrued at the end of the quarter/month.
- In case of fees, based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

A. Treds Ltd.

Onboarding Fee is a one-time fee and is recognized at the time of onboarding of Buyer, Seller or financier. Transaction fee is recurring in nature and is recognised on time proportion basis over the tenure of transaction. Transaction fees received from sellers is recognised upfront on the date of transaction. The company follows recognition of annual fee on time proportion basis over the tenure of one year.

Freecharge Payment Technologies Private Ltd.

Revenue from commission income

Merchant check out fee from wallet transaction is recognised on the basis of successful pay-out of wallet usage to the respective merchants. The transactions are settled on a daily basis with the merchant, net of MDR revenue. The taxes (GST) collected on behalf of the government are excluded from revenue.

Revenue from payment and storage service

The revenue from payment & storage service is recognised for providing PG aggregation service and as a payments platform for transactions of the merchant executed through payment gateway. The Company collects revenue on the basis of the payment gateway transactions routed through its payment platform on a monthly basis.

Other operating revenue

Revenues from ancillary activities like convenience fee, commission income etc. are recognised upon rendering of services.

Unbilled revenue

Receivables are generally carried at the original invoiced amount, less an allowance for doubtful receivables where there is objective evidence that balances will not be recovered in full. Unbilled receivables is recognised to the extent for the services not billed at the reporting date.

Accelyst Solutions Private Ltd.

Revenue from commission income

Revenue from operating an internet portal providing recharge and bill payment services is recognised upon successful recharge / payment confirmation for the transactions executed. The taxes (GST) collected on behalf of the government are excluded from revenue.

Miscellaneous revenue

Revenues from ancillary activities e.g. freefund code generation fees, convenience fee, mutual fund commission, sale of coupons and bus ticketing etc. is recognised upon rendering of services. Upon expiry of validity of freefund codes sold by the company, income is recognised to the extent of value of such codes.

Unbilled revenue

Receivable are generally carried at the original invoiced amount, less an allowance for doubtful receivables where there is objective evidence that balances will not be recovered in full. Unbilled receivables is recognized to the extent for the services not billed at the reporting date.

5.9 Scheme expenses

Axis Asset Management Company Ltd.

New fund offer expenses

Expenses relating to new fund offer of Axis Mutual Fund are charged to the Profit and Loss Account in the year in which they are incurred.

Brokerage

Claw-backable brokerages paid by the Company in advance are charged to the Profit and Loss account over the claw-back period/tenure of the respective scheme. The unamortized portion of the claw-backable brokerage is carried forward as prepaid expense.

Upfront brokerage on close ended and fixed tenure schemes is amortized over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortized over 3 years. The unamortized portion of the brokerage is carried forward as prepaid expense. Any other brokerage is expensed out in the year in which they are incurred.

Brokerage paid on certain PMS products are amortised over the exit load period. Unamortised portion of brokerage is carried forward as prepaid expenses.

Brokerage paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the brokerage is carried forward as prepaid expense.

Other direct expenses

Expenses directly incurred for the scheme of Axis Mutual fund are charged to the Profit and Loss Account under respective heads unless considered recoverable from schemes in accordance with the provisions of SEBI (Mutual fund) regulations 1996.

5.10 Fixed assets and depreciation/impairment

Group

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on the straight-line method from the date of addition. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on historical experience of the Group, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life
Leased Land	As per the term of the agreement
Owned premises	60 years
Locker cabinets/cash safe/strong room door	10 years
EPABX, telephone instruments	8 years
Modem, scanner, routers, hubs, switches, racks/cabinets for IT equipment	5 years
UPS, VSAT, fax machines	5 years
Cheque book/cheque encoder, currency counting machine, fake note detector	5 years
Application software	5 years
Electronic Data Capture (EDC)/ Point of Sale (POS) machines	5 years
Vehicles	4 years
Computer hardware including printers	3 years
CCTV and video conferencing equipment	3 years
Assets at staff residence	3 years
Mobile phone	2 years
All other fixed assets	10 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Profit and Loss Account till the date of sale.

Gain or losses arising from the retirement or disposal of Fixed Assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Further, in case of Bank, profit on sale of premises is appropriated to Capital Reserve account (net of taxes and transfer to statutory reserve) in accordance with RBI instructions.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

5.11 Non-banking assets

Axis Bank Ltd.

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

5.12 Lease transactions

Group

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Lease income from assets given on operating lease is recognised as income in profit and loss account on a straight line basis over the lease term.

5.13 Retirement and other employee benefits

Provident Fund

Axis Bank Ltd.

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

Subsidiaries

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity

Axis Bank Ltd.

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although various insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. Liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year. In respect of employees at overseas branches (other than expatriates) liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

Subsidiaries

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using Projected Unit Credit Method made at the end of each financial year. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

Compensated Absences

Axis Bank Ltd.

Compensated absences are short term in nature for which provision is held on accrual basis.

Subsidiaries

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The expected cost of such absences is measured as the additional amount that is expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Superannuation

Axis Bank Ltd.

Employees of the Bank are entitled to receive retirement benefits under the Bank's Superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan the Bank contributes annually a specified sum of 10% of the employee's eligible annual basic salary to LIC, which undertakes to pay the lumpsum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

New Pension Scheme ('NPS')

Group

In respect of employees who opt for contribution to the 'NPS', the Group contributes certain percentage of the total basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Long term deferred variable pay structure

Axis Capital Ltd.

As part of its variable pay structure, the company operates long term deferred variable pay structure plan in which it defers a part of the entitlement which is to be settled in installments over a period of three years at an amount which would be equivalent to the prevailing price of equity share of Axis Bank at the time of settlement. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at the year-end using the Projected Unit Credit Method.

5.14 Long Term Incentive Plan (LTIP)

Axis Asset Management Company Ltd.

The Company has initiated Axis AMC - Long Term Incentive plan. The points granted to employees as per the guidelines laid down in the plan are encashable after they are held for a specified period as per the terms of the plan. The Company accounts for the liability arising on points granted proportionately over the period from the date of grant till the end of the exercise window. The present value of the obligation under such plan is determined based on actuarial valuation.

5.15 Reward points

Axis Bank Ltd.

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing an independent actuary, which includes assumptions such as mortality, redemption and utilization. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

5.16 Taxation

Group

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of Income tax Act, 1961 and considering the material principle set out in Income Computation and Disclosure Standards to the extent applicable. In case of overseas subsidiary the local tax laws prevailing in that country are followed. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

5.17 Share issue expenses

Group

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

5.18 Corporate Social Responsibility

Group

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, is recognised as operating expenditure or capital expenditure as applicable

5.19 Earnings per share

Group

The group reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average

number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

5.20 Employee stock option scheme

Axis Bank Ltd.

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have been repealed in the month of October, 2014 and were substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme is in compliance with the said regulations. The Bank follows the intrinsic value method to account for its stock based employee compensation plans as per the Guidelines. Options are granted at an exercise price, which is equal to/less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date, if any, is recognised as a deferred compensation cost and amortised on a straight-line basis over the vesting period of such options.

The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

5.21 Provisions, contingent liabilities and contingent assets

Group

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets" provision is recognised when the Group has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

5.22 Accounting for dividend

Group

As per AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, the Group does not account for proposed dividend (including tax) as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of shareholders. However, the Bank reckons proposed dividend in determining capital funds in computing the capital adequacy ratio.

5.23 Cash and cash equivalents

Group

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

18 Notes forming part of the Consolidated Financial Statements

For the year ended 31 March, 2020

- 1.1 During the year ended 31 March, 2020, the Bank allotted 45,357,385 equity shares at a price of ₹565 per share pursuant to exercise of convertible share warrants by the warrant holders. As a consequence, the paid-up share capital of the Bank has increased by ₹9.07 crores and the reserves of the Bank have increased by ₹2,551.03 crores after charging off issue related expenses.

Further, during the year ended 31 March, 2020, the Bank raised additional equity capital through a Qualified Institutional Placement of 198,728,139 shares at a price of ₹629 per share. As a consequence, the paid-up share capital of the Bank has increased by ₹39.75 crores and the reserves of the Bank have increased by ₹12,392.50 crores after charging off issue related expenses. The funds mobilised from equity raising were utilised for enhancing the capital adequacy ratio and for general corporate purpose.

- 1.2 COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline and volatility in financial markets and decline in economic activities. On 24 March, 2020, the Indian Government announced a strict 21-day lock-down which was further extended by 19 days across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's provision on assets will depend on the future developments, which are highly uncertain, including among the other things any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Bank.

The RBI on 27 March, 2020 and 17 April, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of the RBI guidelines, the lending institutions have been permitted to grant a moratorium of three months on payment of all instalments/interest, as applicable, falling due between 1 March, 2020 and 31 May, 2020 ('moratorium period'). As such, in respect of all accounts classified as standard as on 29 February, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank holds provisions as at 31 March, 2020 against the potential impact of COVID-19 based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.

2.1 Disclosures

- 2.1.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

(₹ in crores)

For the year ended	31 March, 2020	31 March, 2019
Provision for income tax		
- Current tax	3,076.88	3,271.12
- Deferred tax ¹ (Refer 1.1.11)	324.41	(726.16)
	3,401.29	2,544.96
Provision for non-performing assets (including bad debts written off and write backs)	12,835.30	10,272.11
Provision for restructured assets/strategic debt restructuring/ sustainable structuring	(15.50)	(19.66)
Provision towards standard assets ²	1,534.16	814.31
Provision for depreciation in value of investments	135.99	296.54
Provision for unhedged foreign currency exposure	(10.68)	18.79
Provision for country risk	12.17	-
Provision for other contingencies ³	4,224.49	654.60
Total	22,117.22	14,581.65

- The Group has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Group has recognised provision for income tax for the year ended 31 March, 2020 in line with the above option. This has necessitated a restatement of the opening balance of deferred tax assets as at 1 April, 2019, basis the rate prescribed in the aforesaid section.
- including provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹1,117.72 crores.
- includes provision for non-banking assets, legal cases, other contingencies and provision of ₹1,882.28 crores for COVID-19 over and above regulatory requirement.

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- 2.1.2 During the years ended 31 March, 2020 and 31 March 2019, the Bank has not raised debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March, 2020, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier II	16 June, 2019	120 months	9.15%p.a.	₹2000 crores

During the year ended 31 March, 2019, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier II	7 November, 2018	120 months	11.75% p.a.	₹1,500 crores
Subordinated debt	Tier II	28 March, 2019	120 months	9.95%p.a.	₹200 crores

- 2.1.3 Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated 1 April, 2019, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2019.

- 2.1.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

As at	31 March, 2020	31 March, 2019
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	1,853.11	5,038.59
Basic weighted average no. of shares (in crores)	271.51	256.90
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	0.98	1.58
Diluted weighted average no. of shares (in crores)	272.49	258.48
Basic EPS (₹)	6.83	19.61
Diluted EPS (₹)	6.80	19.49
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 8,395,776 stock options and 1,420,559 warrants (previous year 9,813,655 stock options and 6,033,509 warrants)

- 2.1.5 Employee Stock Options Scheme ('the Scheme')

Pursuant to the approval of the shareholders in February 2001, the Bank approved an Employee Stock Option Scheme under which eligible employees are granted an option to purchase shares subject to vesting conditions. Over the period till March 2020, pursuant to the approval of the shareholders, the Bank approved ESOP schemes for options aggregating 265,087,000 that vest in a graded manner over 3 years. The options can be exercised within three/five years from the date of the vesting as the case may be. Within the overall ceiling of 265,087,000 stock options approved for grant by the shareholders as stated earlier, the Bank is also authorised to issue options to eligible employees and Whole Time Directors of the subsidiary companies.

259,613,700 options have been granted under the Schemes till the previous year ended 31 March, 2020. Pursuant to the approval of the Nomination and Remuneration Committee on 27 March, 2019, the Bank granted

8,650,150 stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹757.10. Further, during FY2019-20, the Bank granted stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees/directors of the Bank/subsidiary companies, the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
25 April, 2019	430,000	752.85
29 July, 2019	90,000	729.85
21 January, 2020	330,000	727.20

Stock option activity under the Scheme for the year ended 31 March, 2020 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	30,132,874	288.96 to 619.60	465.06	4.13
Granted during the year	9,500,150	727.20 to 757.10	755.61	-
Forfeited during the year	(1,018,650)	306.54 to 757.10	623.71	-
Expired during the year	(950)	288.96	288.96	-
Exercised during the year	(5,947,539)	288.96 to 535.00	397.02	-
Outstanding at the end of the year	32,665,885	306.54 to 757.10	557.01	4.15
Exercisable at the end of the year	20,373,840	306.54 to 757.10	505.98	3.03

The weighted average share price in respect of options exercised during the year was ₹715.09.

Stock option activity under the Scheme for the year ended 31 March, 2019 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	29,554,909	217.33 to 535.00	432.45	4.22
Granted during the year	6,455,000	504.85 to 619.60	516.05	-
Forfeited during the year	(748,700)	306.54 to 535.00	500.67	-
Expired during the year	(22,400)	288.96	288.96	-
Exercised during the year	(5,105,935)	217.33 to 535.00	336.29	-
Outstanding at the end of the year	30,132,874	288.96 to 619.60	465.06	4.13
Exercisable at the end of the year	17,138,224	288.96 to 535.00	436.22	2.87

The weighted average share price in respect of options exercised during the year was ₹623.15.

Fair Value Methodology

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be as follows:

	31 March, 2020	31 March, 2019
Net Profit (as reported) (₹ in crores)	1,853.11	5,038.59
Add: Stock based employee compensation expense included in net income (₹ in crores)	-	-
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	(137.07)	(95.04)
Net Profit (Proforma) (₹ in crores)	1,716.04	4,943.55
Earnings per share: Basic (in ₹)		
As reported	6.83	19.61
Proforma	6.32	19.24
Earnings per share: Diluted (in ₹)		
As reported	6.80	19.49
Proforma	6.30	19.18

During the years ended, 31 March, 2020 and 31 March, 2019, no cost has been incurred by the Bank on ESOPs issued to the employees of the Bank and employees of subsidiaries under the intrinsic value method.

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The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2020	31 March, 2019
Dividend yield	0.54%	0.76%
Expected life	1.82-3.82 years	2.57-4.57 years
Risk free interest rate	5.99% to 6.96%	7.07% to 7.63%
Volatility	28.07% to 28.60%	28.78% to 30.82%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2020 is ₹200.15 (previous year ₹164.10).

On 18 March, 2020, the Nomination and Remuneration Committee of the Board of Directors of the Bank has approved the grant of upto 12,500,000 stock options to eligible employees. As on 31 March, 2020, there have been no allotments of options under this grant. Accordingly, these options have not been considered in the above disclosure and for disclosure of proforma net profit and EPS under fair value method for FY 2019-20.

2.1.6 Proposed Dividend

The Reserve Bank of India, vide its circular dated 17 April, 2020, has advised that banks shall not make any further dividend payouts from profits pertaining to the financial year ended 31 March, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors of the Bank has not proposed any dividend for the year ended 31 March, 2020.

2.1.7 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified and based on RBI's revised guidelines on Segment Reporting issued on 18 April 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, money received against share warrants, tax paid in advance net of provision etc.

Business segments in respect of operations of the subsidiaries have been identified and reported taking into account the customer profile, the nature of product and services and the organisation structure.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment and fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Effective 1 April, 2019, the Bank has reported inter segment revenue and inter segment expense in the Central Funding Unit (which forms part of Treasury segment) on a net basis as against earlier practice of reporting revenue and expenses on a gross basis. Accordingly, segmental revenue numbers for the previous period have been restated to make them comparable with current period numbers. There is no impact of this change on the segmental profit before tax.

Segmental results are set out below:

(₹ in crores)

	31 March, 2020				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Segment Revenue					
Gross interest income (external customers)	14,600.09	19,562.72	29,552.87	-	63,715.68
Other income	3,753.53	4,210.47	6,615.30	1,762.69	16,341.99
Total income as per Profit and Loss Account	18,353.62	23,773.19	36,168.17	1,762.69	80,057.67
Add/(less) inter segment interest income	4,813.04	6,524.53	25,323.09	0.01	36,660.67
Total segment revenue	23,166.66	30,297.72	61,491.26	1,762.70	116,718.34
Less: Interest expense (external customers)	16,399.83	1,710.98	19,885.13	-	37,995.94
Less: Inter segment interest expense	2,299.55	14,464.23	19,896.23	0.66	36,660.67
Less: Operating expenses	314.37	4,722.25	12,435.38	593.76	18,065.76
Operating profit	4,152.91	9,400.26	9,274.52	1,168.28	23,995.97
Less: Provision for non-performing assets/others*	2,599.64	9,908.08	4,325.55	0.38	16,833.65
Less: Unallocated provision for other contingencies#	-	-	-	-	1,882.28
Segment result	1,553.27	(507.82)	4,948.97	1,167.90	5,280.04
Less: Provision for tax					3,401.29

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	31 March, 2020				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Net Profit before minority interest and earnings from Associate					1,878.75
Less: Minority Interest					25.64
Add: Share of Profit in Associate					-
Extraordinary profit/loss					-
Net Profit					1,853.11
Segment assets	318,397.82	270,594.74	329,047.96	803.57	918,844.09
Unallocated assets	-	-	-	-	9,027.72
Total assets					927,871.81
Segment liabilities	293,396.41	139,537.68	406,283.36	214.92	839,432.37
Unallocated liabilities ⁽¹⁾					2,099.01
Total liabilities					841,531.38
Net assets	25,001.42	131,057.06	(77,235.40)	588.65	86,340.43
Capital Expenditure for the year	6.89	246.81	641.73	13.65	909.08
Depreciation on fixed assets for the year	6.12	214.37	571.53	14.05	806.07

⁽¹⁾ includes minority interest of ₹113.56 crores

* represents material non-cash items other than depreciation

represents provision for COVID-19 over and above regulatory requirement, per extant guidelines as on date of adoption of financial statements by the Board.

(₹ in crores)

	31 March, 2019				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Segment Revenue					
Gross interest income (external customers)	13,874.76	18,442.28	23,726.61	-	56,043.65
Other income	2,254.14	4,686.91	5,447.93	1,799.77	14,188.75
Total income as per Profit and Loss Account	16,128.90	23,129.19	29,174.54	1,799.77	70,232.40
Add/(less) inter segment interest income	6,680.96	6,175.11	20,249.77	0.01	33,105.85
Total segment revenue	22,809.86	29,304.30	49,424.31	1,799.78	103,338.25
Less: Interest expense (external customers)	16,956.96	1,661.64	15,264.87	-	33,883.47
Less: Inter segment interest expense	3,048.35	13,520.57	16,536.06	0.87	33,105.85
Less: Operating expenses	425.22	4,048.91	11,459.17	786.89	16,720.19
Operating profit	2,379.33	10,073.18	6,164.21	1,012.02	19,628.74
Less: Provision for non-performing assets/others*	686.64	9,081.46	2,248.59	20.00	12,036.69
Segment result	1,692.69	991.72	3,915.62	992.02	7,592.05
Less: Provision for tax					2,544.96
Net Profit before minority interest and earnings from Associate					5,047.09
Less: Minority Interest					8.50
Add: Share of Profit in Associate					-
Extraordinary profit/loss					-
Net Profit					5,038.59
Segment assets	283,240.38	251,253.06	269,476.17	535.04	804,504.65
Unallocated assets					9,541.32
Total assets					814,045.97
Segment liabilities	276,546.85	135,914.54	332,680.34	154.52	745,296.25
Unallocated liabilities ⁽¹⁾					947.10
Total liabilities					746,243.35
Net assets	6,693.53	115,338.52	(63,204.17)	380.52	67,802.62
Capital Expenditure for the year	15.63	205.48	695.24	26.33	942.68
Depreciation on fixed assets for the year	12.48	161.62	545.56	17.50	737.16

⁽¹⁾ includes minority interest of ₹84.61 crores

* represents material non-cash items other than depreciation

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Revenue	77,791.87	66,514.42	2,265.80	3,717.98	80,057.67	70,232.40
Assets	869,479.51	760,394.09	58,392.30	53,651.87	927,871.81	814,045.96
Capital Expenditure for the year	907.17	939.95	1.91	2.73	909.08	942.68
Depreciation on fixed assets for the year	800.63	733.00	5.44	4.16	806.07	737.16

2.1.8 Related party disclosure

The related parties of the Group are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters.

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)
- Life Insurance Corporation of India (LIC)
- General Insurance Corporation, New India Assurance Co. Limited, National Insurance Co. Limited, United India Insurance Co. Limited and The Oriental Insurance Co. Limited.

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Ms. Shikha Sharma (MD & CEO) (upto 31 December, 2018)
- Mr. V. Srinivasan (Deputy Managing Director) (upto 20 December, 2018)
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)]
- Mr. Rajiv Anand [Executive Director (Wholesale Banking)]
- Mr. Pralay Mondal [Executive Director (Retail Banking)] (w.e.f. 1 August, 2019)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Chhavi Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Mr. Sanjaya Sharma, Ms. Usha Bharadwaj, Mr. Tilak Sharma, Ms. Tvisha Sharma, Dr. Sanjiv Bharadwaj, Dr. Prashant Bharadwaj, Dr. Brevis Bharadwaj, Dr. Reena Bharadwaj, Ms. Gayathri Srinivasan, Mr. V. Satish, Ms. Camy Satish, Ms. Ananya Srinivasan, Ms. Anagha Srinivasan, Ms. Geetha N., Ms. Chitra R., Ms. Sumathi N., Mr. S. Ranganathan, Mr. R. Narayan, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Ms. Mallika Dahiya, Ms. Jal Medha, Ms. Pooja Rathi, Mr. Jai Prakash Dahiya, Ms. Mahasweta Mondal, Ms. Pritha Mondal, Ms. Trina Mondal, Mr. Biplab Mondal, Ms. Anima Mondal.

The details of transactions of the Group with its related parties during the year ended 31 March, 2020 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Total
Dividend paid	46.04	0.04	-	46.08
Interest paid	551.48	1.07	0.15	552.70
Interest received	0.19	0.26	-	0.45
Investment in non-equity instrument of related party	-	-	-	-
Investment of related party in the Bank	-	5.44	-	5.44
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-	-

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Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Total
Redemption of Hybrid capital/Bonds of the Bank	55.00	-	-	55.00
Purchase of investments	-	-	-	-
Sale of investments	1,318.04	-	-	1,318.04
Remuneration paid	-	15.84	-	15.84
Contribution to employee benefit fund	15.42	-	-	15.42
Repayment of security deposits by related party	-	-	-	-
Non-funded commitments (issued)	-	-	-	-
Advance granted (net)	-	-	-	-
Advance repaid	5.31	6.01	-	11.32
Receiving of services	206.94	-	-	206.94
Rendering of services	29.68	0.01	-	29.69
Sale of foreign exchange currency to related party	-	1.48	0.03	1.51
Other reimbursements from related party	-	-	-	-
Other reimbursements to related party	0.19	-	-	0.19

Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

The balances payable to/receivable from the related parties of the Group as on 31 March, 2020 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	7,119.06	16.01	5.99	7,141.06
Placement of security deposits	0.31	-	-	0.31
Advances	1.31	4.85	0.03	6.19
Investment in non-equity instruments of related party	0.02	-	-	0.02
Investment of related party in the Bank	88.56	0.08	-	88.64
Non-funded commitments	3.32	-	-	3.32
Investment of related party in Hybrid capital/ Bonds of the Bank	2,760.00	-	-	2,760.00
Payable under management contracts	-	-	-	-
Other receivables (net)	0.04	-	-	0.04
Other payables (net)	-	-	-	-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2020 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	16,652.92	20.86	5.99	16,679.77
Placement of security deposits	0.31	-	-	0.31
Advances	11.51	10.99	0.06	22.56
Investment of related party in the Bank	93.60	0.09	-	93.69
Investment in non-equity instrument of related party	290.07	-	-	290.07
Non-funded commitments	3.33	-	-	3.33
Investment of related party in Hybrid capital/Bonds of the Bank	2,815.00	-	-	2,815.00
Payable under management contracts	-	-	-	-
Other receivables (net)	0.32	-	-	0.32
Other payables (net)	-	-	-	-

The details of transactions of the Group with its related parties during the year ended 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Total
Dividend paid	-	-	-	-
Interest paid	554.78	0.41	0.12	555.31
Interest received	0.13	1.09	-	1.22
Investment in non-equity instrument of related party	341.26	-	-	341.26
Investment of related party in the Bank	-	17.93	-	17.93
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-	-
Redemption of Hybrid capital/Bonds of the Bank	1,510.00	-	-	1,510.00
Purchase of investments	205.00	-	-	205.00
Sale of investments	857.07	-	-	857.07
Remuneration paid	-	18.49	-	18.49
Contribution to employee benefit fund	17.00	-	-	17.00
Repayment of security deposits by related party	0.12	-	-	0.12
Non-funded commitments (issued)	-	-	-	-
Advance granted (net)	-	-	-	-
Advance repaid	0.45	7.38	-	7.83
Receiving of services	128.91	-	-	128.91
Rendering of services	28.04	0.10	-	28.14
Sale of foreign exchange currency to related party	-	1.35	0.01	1.36
Other reimbursements from related party	0.10	-	-	0.10
Other reimbursements to related party	0.66	-	-	0.66

Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

The balances payable to/receivable from the related parties of the Group as on 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	9,146.04	13.91	0.55	9,160.50
Placement of security deposits	0.31	-	-	0.31
Advances	6.62	10.90	0.03	17.55
Investment in non-equity instruments of related party	290.05	-	-	290.05
Investment of related party in the Bank	93.60	0.08	-	93.68
Non-funded commitments	3.33	-	-	3.33
Investment of related party in Hybrid capital/ Bonds of the Bank	2,790.00	-	-	2,790.00
Payable under management contracts	-	-	-	-
Other receivables (net)	-	-	-	-
Other payables (net)	-	-	-	-

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The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2019 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	17,078.36	22.86	5.49	17,106.72
Placement of security deposits	0.43	-	-	0.43
Advances	154.79	19.66	0.17	174.62
Investment of related party in the Bank	135.32	0.52	-	135.84
Investment in non-equity instrument of related party	290.05	-	-	290.05
Non-funded commitments	3.35	-	-	3.35
Investment of related party in Hybrid capital/Bonds of the Bank	4,300.00	-	-	4,300.00
Payable under management contracts	-	3.70	-	3.70
Other receivables (net)	0.03	-	-	0.03

The significant transactions between the Group and related parties during the year ended 31 March, 2020 and 31 March, 2019 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Dividend paid		
Life Insurance Corporation of India	26.32	-
Administrator of the Specified Undertaking of the Unit Trust of India	13.69	-
Interest paid		
Life Insurance Corporation of India	433.28	503.97
Interest received		
Mr. Rajiv Anand	0.15	0.74
Mr. Rajesh Dahiya	0.11	0.35
Life Insurance Corporation of India	0.19	-
New India Assurance Co. Limited	-	0.13
Investment in non-equity instruments of related party		
United India Insurance Co. Limited	-	241.26
The Oriental Insurance Co. Limited	-	100.00
Investment of related party in the Bank		
Ms. Shikha Sharma	N.A.	8.67
Mr. Rajiv Anand	2.62	4.05
Mr. Rajesh Dahiya	2.82	5.22
Redemption of Hybrid capital/Bonds of the Bank		
General Insurance Corporation Co. Limited	10.00	-
National Insurance Co. Limited	20.00	-
United India Insurance Co. Limited	25.00	10.00
Life Insurance Corporation of India	-	1500.00
Purchase of investments		
The Oriental Insurance Co. Limited	-	205.00
Sale of investments		
New India Assurance Co. Limited	490.00	195.00
General Insurance Corporation Co. Limited	556.00	335.02
United India Insurance Co. Limited	112.18	141.29
The Oriental Insurance Co. Limited	99.85	145.76

(₹ in crores)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Remuneration paid		
Mr. Amitabh Chaudhry	6.26	1.28
Ms. Shikha Sharma	N.A.	6.83
Mr. V. Srinivasan	N.A.	4.53
Mr. Rajiv Anand	4.16	3.18
Mr. Rajesh Dahiya	3.75	2.68
Mr. Pralay Mondal	1.67	N.A.
Contribution to employee benefit fund		
Life Insurance Corporation of India	15.42	16.53
Advance repaid		
Life Insurance Corporation of India	5.31	0.45
Mr. Rajiv Anand	5.61	2.13
Mr. Rajesh Dahiya	0.40	5.23
Receiving of services		
The Oriental Insurance Co. Limited	95.83	55.84
New India Assurance Co. Limited	90.13	52.72
Life Insurance Corporation of India	13.53	11.42
Rendering of services		
Life Insurance Corporation of India	28.22	26.60
General Insurance Corporation Co. Limited	0.13	0.07
Sale of foreign exchange currency to related party		
Ms. Shikha Sharma	N.A.	1.14
Mr. Amitabh Chaudhry	0.40	0.15
Mr. Rajiv Anand	0.36	0.06
Mr. Pralay Mondal	0.72	N.A.
Other reimbursements to related party		
Life Insurance Corporation of India	0.19	0.66
Other reimbursements from related party		
New India Assurance Co. Limited	-	0.10

2.1.9 Leases

Disclosure in respect of assets taken on operating lease

This comprise of office premises/ATMs, cash deposit machines, electronic data capturing machines and IT equipment.

(₹ in crores)

	31 March, 2020	31 March, 2019
Future lease rentals payable as at the end of the year:		
- Not later than one year	863.02	805.03
- Later than one year and not later than five years	2,798.53	2,531.53
- Later than five years	3,011.82	2,249.34
Total of minimum lease payments recognised in the Profit and Loss Account for the year	940.10	864.08

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements.

There are generally no undue restrictions or onerous clauses in the agreements.

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Disclosure in respect of assets given on operating lease

(₹ in crores)

	31 March, 2020	31 March, 2019
Gross carrying amount of premises at the end of the year	157.91	157.91
Accumulated depreciation at the end of the year	11.26	8.63
Total depreciation charged to profit and loss account for the year	2.63	0.65
Future lease rentals receivable as at the end of the year:		
- Not later than one year	29.50	28.99
- Later than one year and not later than five years	118.16	116.54
- Later than five years	65.36	100.08

There is no provision relating to contingent rent.

2.1.10 Movement in fixed assets capitalised as application software (included in other Fixed Assets)

(₹ in crores)

Particulars	31 March, 2020	31 March, 2019
At cost at the beginning of the year	1,681.48	1,349.22
Additions during the year*	229.86	332.49
Deductions during the year	(29.12)	(0.23)
Accumulated depreciation as at 31 March	(1,316.13)	(1,101.01)
Closing balance as at 31 March	566.09	580.47
Depreciation charge for the year	235.37	207.32

*includes movement on account of exchange rate fluctuation

2.1.11 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

As at	31 March, 2020	31 March, 2019
Deferred tax assets on account of provisions for doubtful debts	5,968.35	7,086.15
Deferred tax assets on account of amortisation of HTM investments	5.01	8.35
Deferred tax assets on account of provision for employee benefits	26.69	128.42
Deferred tax assets on account of other items	1,423.68	554.71
Deferred tax assets	7,423.74	7,777.63
Deferred tax liability on account of depreciation on fixed assets	44.23	62.31
Deferred tax liabilities on account of other items	15.72	27.64
Deferred tax liabilities	59.95	89.95
Net deferred tax asset	7,363.79	7,687.68

The Group has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Group has recognised provision for Income tax for the year ended 31 March, 2020 in line with the above option. This has necessitated a restatement of the opening balance of deferred tax assets as at 1 April, 2019, basis the rate prescribed in the aforesaid section. The restatement has resulted in a write down of ₹2,150.62 crores which has been fully charged to the Profit and Loss account during the year.

2.1.12 Employee Benefits

Group

Provident Fund

The contribution to the employee's provident fund (including Employee Pension Scheme) of the Group amounted to ₹210.89 crores for the year ended 31 March, 2020 (previous year ₹189.55 crores).

Axis Bank Ltd.

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank. Based on an actuarial valuation conducted by an independent actuary, there is no deficiency as at the Balance Sheet date for the Bank.

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2020	31 March, 2019
Current Service Cost*	109.92	98.60
Interest on Defined Benefit Obligation	168.87	159.70
Expected Return on Plan Assets	(205.73)	(189.59)
Net Actuarial Losses/(Gains) recognised in the year	36.86	29.89
Total included in "Employee Benefit Expense" [Schedule 16(I)]	109.92	98.60
Actual Return on Plan Assets	173.11	132.30

* includes contribution of ₹0.40 crores towards staff deputed at subsidiaries (previous year ₹0.52 crores)

Balance Sheet

Details of provision for provident fund

(₹ in crores)

	31 March, 2020	31 March, 2019
Fair Value of Plan Assets	2,494.37	2,245.71
Present Value of Funded Obligations	(2,494.37)	(2,245.71)
Net Asset	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset	-	-

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening Defined Benefit Obligation	2,245.71	2,006.65
Current Service Cost	109.92	98.60
Interest Cost	168.87	159.70
Actuarial Losses/(Gains)	4.24	(27.40)
Employees Contribution	276.90	217.42
Liability transferred from/to other companies	(14.90)	(16.45)
Benefits Paid	(296.37)	(192.81)
Closing Defined Benefit Obligation	2,494.37	2,245.71

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Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening Fair Value of Plan Assets	2,245.71	2,006.65
Expected Return on Plan Assets	205.73	189.59
Actuarial Gains/(Losses)	(32.62)	(57.29)
Employer contribution during the period	109.92	98.60
Employee contribution during the period	276.90	217.42
Assets transferred from/to other companies	(14.90)	(16.45)
Benefits Paid	(296.37)	(192.81)
Closing Fair Value of Plan Assets	2,494.37	2,245.71

Experience adjustments

(₹ in crores)

	31 March, 2020	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016
Defined Benefit Obligations	2,494.37	2,245.71	2,006.65	1,688.78	1,439.02
Plan Assets	2,494.37	2,245.71	2,006.65	1,688.78	1,439.02
Surplus/(Deficit)	-	-	-	-	-
Experience Adjustments on Plan Liabilities	4.24	(27.40)	12.10	20.83	12.08
Experience Adjustments on Plan Assets	(32.62)	(57.29)	(30.95)	0.58	(6.16)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets:

	31 March, 2020	31 March, 2019
	(in percentage)	(in percentage)
Government securities	55	56
Bonds, debentures and other fixed income instruments	15	40
Equity shares	4	3
Others	26	1

Principal actuarial assumptions at the balance sheet date:

	31 March, 2020	31 March, 2019
Discount rate for the term of the obligation	6.45%	7.65%
Average historic yield on the investment portfolio	8.83%	8.88%
Discount rate for the remaining term to maturity of the investment portfolio	6.85%	7.55%
Expected investment return	8.43%	8.98%
Guaranteed rate of return	8.50%	8.65%

The Hon'ble Supreme Court of India ("SC") by an order dated 28 February, 2019 in one case, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Basis subsequent clarification provided by the Employees' Provident Fund Organisation on the said order and an independent legal opinion, the Bank has implemented the principles laid down in the order effective 1 April, 2019.

Superannuation

The Bank contributed ₹15.39 crores to the employee's superannuation plan for the year ended 31 March, 2020 (previous year ₹16.51 crores).

National Pension Scheme (NPS)

During the year, the Bank has contributed ₹6.37 crores (previous year ₹5.22 crores) to the NPS for employees who had opted for the scheme.

Group

Leave Encashment

The liability of compensated absences of accumulated privileged leave of the employees of the Group is given below.

(₹ in crores)

	31 March, 2020			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions Discount Rate	Assumptions Salary escalation rate
Axis Bank Ltd.	58.10	(8.99)	-	-
Axis Capital Ltd.*	0.20	0.13	6.59% p.a.	7.00% p.a.
Axis Securities Ltd.	(0.54)	1.97	-	-
Axis Asset Management Co. Ltd.	1.50	(0.69)	-	-
Axis Finance Ltd.	0.75	0.78	-	-
A.Treds Ltd.*	0.17	0.24	6.65% p.a.	10.00% p.a.
FreeCharge Payment Technologies Pvt. Ltd.*	2.88	1.45	5.70% p.a.	12.00% p.a.
Accelyst Solutions Pvt. Ltd.*	0.26	0.16	5.89% p.a.	12.00% p.a.

* based on actuarial valuation

(₹ in crores)

	31 March, 2019			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions Discount Rate	Assumptions Salary escalation rate
Axis Bank Ltd.	247.35	46.62	-	-
Axis Capital Ltd.*	0.08	Nil	6.48% p.a.	7.00% p.a.
Axis Securities Ltd.*	1.23	Nil	7.65% p.a.	10.00% p.a.
Axis Asset Management Co. Ltd.	Nil	1.29	-	-
Axis Finance Ltd.*	0.70	0.36	7.77% p.a.	7.00% p.a.
A.Treds Ltd.*	0.14	0.13	7.65% p.a.	10.00% p.a.
FreeCharge Payment Technologies Pvt. Ltd.*	1.86	(0.37)	6.80% p.a.	12.00% p.a.
Accelyst Solutions Pvt. Ltd.*	0.13	(0.09)	6.75% p.a.	12.00% p.a.

* based on actuarial valuation

Group

Gratuity

The following tables summarize the components of net benefit expenses recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2020	31 March, 2019
Current Service Cost	55.65	49.02
Interest on Defined Benefit Obligation	34.77	30.88
Expected Return on Plan Assets	(30.48)	(25.49)
Net Actuarial Losses/(Gains) recognised in the year	40.99	7.02
Past Service Cost	0.78	0.03
Total included in "Employee Benefit Expense" [Schedule 16(1)]	101.71	61.45
Actual Return on Plan Assets	23.20	34.95

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Balance Sheet

Details of provision for gratuity

(₹ in crores)

	31 March, 2020	31 March, 2019
Present Value of Funded Obligations	(490.42)	(417.44)
Present Value of un-funded Obligations	(3.79)	(6.97)
Fair Value of Plan Assets	484.98	403.44
Unrecognised Past Service Cost	1.55	2.33
Net (Liability)/Asset	(7.68)	(18.65)
Amounts in Balance Sheet		
Liabilities	7.68	18.65
Assets	-	-
Net Liability (included under Schedule 5 - Other Liabilities)	(7.68)	(18.65)

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening Defined Benefit Obligation	424.41	366.99
Current Service Cost	55.65	49.02
Interest Cost	34.77	30.88
Actuarial Losses/(Gains)	33.72	16.57
Past Service Cost	-	2.33
Liabilities Assumed on Acquisition	0.11	0.14
Liabilities transferred in/(out)	(0.27)	0.19
Benefits Paid	(54.18)	(41.71)
Closing Defined Benefit Obligation	494.21	424.41

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening Fair Value of Plan Assets	403.44	336.33
Expected Return on Plan Assets	30.48	25.49
Actuarial Gains/(Losses)	(7.28)	9.55
Contributions by Employer	112.02	73.16
Assets transferred in	0.09	-
Benefits Paid	(53.77)	(41.10)
Closing Fair Value of Plan Assets	484.98	403.44

Experience adjustments:

(₹ in crores)

	31 March, 2020	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016
Defined Benefit Obligations	494.21	424.41	366.99	301.45	246.84
Plan Assets	484.98	403.44	336.33	290.11	243.00
Surplus/(Deficit)	(9.23)	(20.97)	(30.66)	(11.34)	(3.84)
Experience Adjustments on Plan Liabilities	(10.14)	6.70	2.90	7.09	2.98
Experience Adjustments on Plan Assets	(7.28)	9.55	(4.91)	(1.68)	(5.28)

Axis Bank Ltd.

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets:

	31 March, 2020	31 March, 2019
	(in percentage)	(in percentage)
Government securities	30	38
Bonds, debentures and other fixed income instruments	42	48
Money market instruments	2	5
Equity shares	2	2
Others	24	7

Principal actuarial assumptions at the balance sheet date:

	31 March, 2020	31 March, 2019
Discount Rate	6.45% p.a.	7.65% p.a.
Expected rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover		
- 18 to 30 (age in years)	24.00%	20.00%
- 31 to 44 (age in years)	14.00%	10.00%
- 45 to 59 (age in years)	8.00%	5.00%

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

Axis Capital Ltd.

	31 March, 2020	31 March, 2019
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.59% p.a.	7.48% p.a.
Expected rate of Return on Plan Assets	6.59% p.a.	7.48% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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Axis Asset Management Company Ltd.

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	5.76% p.a.	7.23% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	N.A.
Salary Escalation Rate	12.00% p.a.	11.00% p.a.
Employee Turnover	15.00% - 20.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Axis Securities Ltd.

	31 March, 2020	31 March, 2019
The major categories of plan assets* as a percentage of fair value of total plan assets - Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.30% p.a.	7.00% p.a.
Expected rate of Return on Plan Assets	7.25% p.a.	7.50% p.a.
Salary Escalation Rate	7.75% p.a.	7.64% p.a.
Employee Turnover		
- 21 to 44 (age in years) (managerial)	20.00%	20.00%
- 21 to 44 (age in years) (non managerial)	60.39%	60.39%
- 45 to 59 (age in years)	1.00%	1.00%

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

Axis Finance Ltd.

	31 March, 2020	31 March, 2019
The major categories of plan assets* as a percentage of fair value of total plan assets - Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.84% p.a.	7.77% p.a.
Expected rate of Return on Plan Assets	6.84% p.a.	7.77% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover	5.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Axis Trustee Services Ltd.

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	5.21% p.a.	6.66% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	8.00% p.a.	10.00% p.a.
Employee Turnover	30.00%	30.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A. Treds Ltd.

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.65% p.a.	7.65% p.a.
Expected rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	10.00% p.a.	10.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	20.00%
- 31 to 44 (age in years)	14.00%	10.00%
- 45 to 59 (age in years)	8.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Accelyst Solution Pvt Ltd.

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	5.89% p.a.	6.75% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	12.00% p.a.	12.00% p.a.
Employee Turnover	25.00%	31.07%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

FreeCharge Payment Technologies Pvt Ltd.

	31 March, 2020	31 March, 2019
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	5.70% p.a.	6.80% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	12.00% p.a.	12.00% p.a.
Employee Turnover	30.00%	28.40%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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2.1.13 Small and Micro Enterprises

Axis Bank Ltd.

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

Subsidiaries

Particulars	(₹ in crores)	
	31 March, 2020	31 March, 2019
The Principal amount and the interest due thereon remaining unpaid to any supplier	0.26	0.02
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	0.02	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	0.03	0.02
The amount of interest accrued and remaining unpaid	0.03	0.02
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-

2.1.14 Corporate Social Responsibility (CSR)

- Amount required to be spent by the Group on CSR during the year ₹113.64 crores (previous year ₹139.72 crores).
- Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities (including capital expenditure) is ₹113.98 crores (previous year ₹149.37 crores), which comprise of following -

	31 March, 2020			31 March, 2019		
	In cash	Yet to be paid in cash (i.e. provision)	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	0.28	-	0.28	11.89	-	11.89
On purpose other than above	108.35	5.35	113.70	136.91	0.57	137.48

2.1.15 Provisions and contingencies

- Movement in provision for frauds included under other liabilities is set out below:

	(₹ in crores)	
	31 March, 2020	31 March, 2019
Opening balance at the beginning of the year	53.58	60.98
Additions during the year	25.10	0.78
Reductions on account of payments during the year	(1.02)	-
Reductions on account of reversals during the year	-	(8.18)
Closing balance at the end of the year	77.66	53.58

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening provision at the beginning of the year	205.90	143.94
Provision made during the year	214.56	127.22
Reductions during the year	(154.36)	(65.26)
Closing provision at the end of the year	266.10	205.90

- c) Movement in provision for other contingencies is set out below:

(₹ in crores)

	31 March, 2020	31 March, 2019
Opening provision at the beginning of the year	141.99	150.66
Provision made during the year	2,674.41	609.26
Reductions during the year	-	(617.93)
Closing provision at the end of the year	2,796.99	141.99

Closing provision includes provision for legal cases, other contingencies and provision for COVID-19 over and above regulatory requirement.

2.1.16 Description of contingent liabilities

- a) Claims against the Group not acknowledged as debts

These represent claims filed against the Group in the normal course of business relating to various legal cases currently in progress. These also include demands raised by income tax authorities and disputed by the Group. In addition, the Group holds provision of ₹69.49 crores as on 31 March, 2020 (previous year ₹56.06 crores) towards claims assessed as probable.

- b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

- c) Liability on account of forward exchange and derivative contracts

The Group enters into foreign exchange contracts, currency options/swaps, interest rate/currency futures and forward rate agreements on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the owner the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective forward exchange and derivative contracts.

- d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

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- e) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

- f) Other items for which the Group is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end, demands raised by statutory authorities (other than income tax) and disputed by the Group and the amount transferred to Depositor Education and Awareness Fund (DEAF).

During earlier years, the Bank, through one of its overseas branches, had arranged Trade Credit (Buyers Credit loans) against Letters of Undertaking (LOUs) issued by Punjab National Bank (PNB), which were subsequently alleged as fraudulent by PNB. Prior to this declaration by PNB, such buyer's credit loans were sold down in the secondary market by the overseas branch to various participating banks under Risk Participation Agreements. As on 31 March, 2020, there is no funded exposure outstanding in the overseas branch pursuant to such sell down. PNB has repaid the aggregate amount of all LOUs due upto 31 March, 2020, pursuant to an undertaking issued to PNB, and made remittance to the overseas branch which has been passed on for onward payment to the participating banks. Based on the facts and circumstances of the case, internal findings and legal opinion, the Bank does not expect PNB has any valid right at this point in time, for refund by the Bank of the aggregate amount paid by PNB towards LOUs due upto 31 March, 2020. However, as a matter of prudence, the aggregate amount of LOUs issued by PNB to the overseas branch against which buyer's credit was extended, aggregating to ₹4,466.83 crores has been disclosed as part of Contingent Liabilities in the Balance Sheet.

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

2.1.17 Comparative Figures

Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No.: 103523W/W100048

Purushottam Nyati

Partner

Membership No.: 118970

S. Vishvanathan

Director

Girish Paranjpe

Director

B. Babu Rao

Director

Amitabh Chaudhry

Managing Director & CEO

Date : 28 April, 2020

Place : Mumbai

Girish V. Koliyote

Company Secretary

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Form AOC-1

Statement pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

	As on/For the year ended 31 March, 2020										(₹ in crores)	
	Axis Capital Ltd.	Axis Private Equity Ltd.	Axis Trustee Services Ltd.	Axis Mutual Fund Trustee Ltd.	Axis Asset Management Company Ltd.	Axis Bank UK Ltd. (Refer Note a)	Axis Finance Ltd.	Axis Securities Ltd.	A.Treds Ltd.	Freecharge Payment Technologies Private Ltd.		Accelyst Solutions Private Ltd.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	USD (US\$ 1 = ₹75.665)	N.A.	N.A.	N.A.	N.A.	N.A.	USD (US\$ 1 = ₹75.665)
Share capital	73.50	1.50	1.50	0.05	210.11	605.32	480.75	144.50	55.00	581.05	679.68	5.33
Reserves & surplus	323.56	1.97	63.43	0.59	221.98	201.16	858.90	172.94	(38.71)	(418.12)	(640.38)	(1.35)
Total assets (Fixed Assets + Investments + Other Assets)	1,371.69	3.52	73.65	0.69	586.20	4,714.63	8,147.33	571.07	20.95	186.83	150.81	4.16
Total liabilities (Deposits + Borrowings + Other Liabilities + Provision)	974.63	0.05	8.73	0.05	154.11	3,908.14	6,807.69	253.63	4.66	23.90	111.51	0.18
Investments	118.96	-	13.47	0.62	346.99	270.00	91.00	-	-	3.52	0.03	3.50
Turnover (Total Income)	269.43	0.14	35.30	0.49	477.85	206.31	983.80	219.05	6.67	128.42	57.09	1.44
Profit/(Loss) before taxation	134.64	(0.22)	23.75	0.18	172.56	(66.20)	266.34	34.27	(14.28)	14.82	(23.28)	(0.06)
Provision for taxation	34.47	-	5.51	0.05	51.27	(7.40)	73.12	18.45	-	(18.19)	(33.00)	-
Profit/(Loss) after taxation	100.17	(0.22)	18.24	0.14	121.28	(58.79)	193.22	15.82	(14.28)	33.01	9.72	(0.06)
Proposed Dividend and Tax (including cess thereon) (Refer Note c)	-	-	14.25	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	75%	75%	100%	100%	100%	67%	100%	100%	100%

The audited financial statements of the above subsidiaries and the unaudited financial statements of the step down subsidiary have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2020.

Notes:

- Asset/Liability items are stated in INR equivalent of USD (\$1 = ₹75.665 as on 31 March, 2020). Profit and loss items reported in INR based on rates prevailing on the date of transactions.
- Axis Capital USA LLC. is a wholly owned subsidiary of Axis Capital Ltd. (a wholly owned subsidiary of Axis Bank Ltd.), Asset/Liability items are stated in INR equivalent of USD (\$1 = ₹75.665 as on 31 March, 2020). Profit and loss items are stated in INR equivalent of average rate during financial year ended 31 March, 2020.
- In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendment to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, proposed dividend has not been recognised as a liability by the subsidiaries as on 31 March, 2020.

1. Names of subsidiaries which are yet to commence operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures - Not applicable

Basel III Disclosures

As at 31 March, 2020

In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1 July, 2015 on 'Basel III Capital Regulations' and RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31 March, 2020 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures which are available on its website under the 'Regulatory Disclosure' section at the following link:

<http://www.axisbank.com/investor-corner/baselIII-disclosures.aspx>



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